

Rental Criteria Guide



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All Buy to Let properties must meet our minimum rental cover at the Buy to Let affordability rate on an interest-only basis.

The rental figure will be based on an unfurnished property and must be confirmed by the valuer. In order to calculate the maximum borrowing available, we'll take the lower of either the rent received or the valuer's assessment of the achievable rent.

Our maximum Loan to Value is 75% for new customers.

Use of earned income can be considered to support both the loan and the background portfolio, subject to top-slicing criteria. We apply varying rental coverages and stress rates dependant on circumstances, as follows:

| Interest Cover Ratio | |
|--|------|
| Limited Company | 125% |
| Individual - Basic Rate Tax | 125% |
| Individual - Higher Rate Tax | 145% |
| Top Slicing | 100% |
| PBTL Background Portfolio - Ltd Co BTL | 125% |
| PBTL Background Portfolio - Non Ltd Co BTL | 140% |

| Stress Rate | |
|--------------------------------|------------------------------|
| < 5yr fixed | Pay Rate + 2% (minimum 5.5%) |
| >= 5yr fixed OR £4£ remortgage | Pay rate |
| BTL Background Portfolio | 5.50% |

For Background Portfolio (Non - Portfolio Landlords), there is no stress rate however rental received needs to cover mortgage payment.

Buy to Let mortgage calculator

Click [here](#) to use the Buy to Let calculator and find out how much your customer could borrow including using top-slicing.

Top-slicing

When your customers' rental income falls short and they are unable to achieve the loan amount required, we are able to look to top it up by considering their overall income and expenditure. If they have sufficient spare income to cover the shortfall, we can look to 'top-slice'.

To qualify for top-slice:

- Earned income (income from rent is not permitted) from up to two applicants can be considered
- The customer(s) have a minimum income of £50,000 for a single application, or £75,000 for a joint application
- Rental income is equal to, or greater than, 100% cover of the mortgage interest amount calculated at the stress rate for the product chosen
- Buy to Let held in personal name

You are required to complete a Mortgage Budget Planner and upload it at AIP stage. This will form part of the affordability assessment.

Click [here](#) to use the Buy to Let calculator and find out how much we could lend your customer.

Portfolio landlords

This is classed as any Buy to Let application where the applicants will own either in sole name or jointly, the sum of 4 or more mortgaged Buy to Let properties, at the time of completion, this includes any Buy to Let properties owned in Limited Companies.

- Properties within the portfolio in a personal name - portfolio rental income must provide 140% coverage of the portfolio mortgage interest at 5.5%
- Properties within the portfolio in a Limited Company Buy to Let - portfolio rental income must provide 125% coverage of the portfolio mortgage interest at 5.5%.
- Top-slicing is accepted on Non-Limited Company BTL's. Rent must be equal to, or greater than, 100% cover of the mortgage interest amount calculated at 5.5%. You can click [here](#) to use the Buy to Let calculator and find out how much we could lend your customer.

We're here to help

If you have any questions, get in touch with your local Business Development Manager or call our Broker Helpdesk on **0203 427 1019**. You can also find more info online at **metrobankonline.co.uk/intermediaries**.

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