

# Rental Criteria Guide



## Rental criteria guide

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.

We apply varying rental coverages dependant on circumstances, as follows:

Product LTV	Product Length			
	<5 Years		5 Years	
<=75%	Rental Coverage	Stress Rate	Rental Coverage	Stress Rate
	140%	5.50%	140%	4.00%

## 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 Metro Bank's 5.5% stress rate

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 where the applicant(s) holds a personal guarantee.

- Portfolio rental income must provide 140% coverage of the portfolio mortgage interest at a stress rate of 5.5%
- Top slicing is available on the security property and the background portfolio, where top slice qualifying requirements are met 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](https://metrobankonline.co.uk/intermediaries).