active investments

Precise Mortgages

Criteria guide

Buy to Let Mortgages

Key points

- ***New!*** Holiday Let and Multi-Unit properties now accepted
- ***New!*** Improved proof of residency requirements
- Top slicing available where rental income meets a minimum 110% ICR at payrate
- HMOs with up to 8 bedrooms and more than 1 kitchen accepted
- Limited Companies with unlimited director's dependent shareholders under the age of 25

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THIS INFORMATION IS FOR THE USE OF MORTGAGE INTERMEDIARIES AND OTHER PROFESSIONALS ONLY

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Applicant criteria

Precise Mortgages

At a glance

25	80	4
Minimum age at application	Maximum age at application	Maximum applicants for Limited Companies

Applicant profile	Individual	Limited Company
Minimum age 25	☑	☑
Maximum age 80 at the date of application	☑	☑
Maximum number of applicants	2	4
Guarantors	Not allowed	4
First time buyers A first time buyer is any applicant that has not owned a property in the last 18 months.	First time buyers accepted. For more information please see page 15.	If all guarantors of a Limited Company application are first time buyers please contact us to discuss further.

Allowable adverse - please refer to the relevant product guide for further details	
Defaults	0 in 12 months, no more than 2 in 24 months (unlimited thereafter).
CCJs	0 in 12 months, no more than 1 in 24 months (max £2,500).
Mortgage arrears	0 in 12 months, no more than 1 in 36 months (worst status).
IVA and bankruptcy	Must have been discharged for 6 years.
Debt Management Plans	Are not accepted.
Repossessions	Are not accepted.

Nationality and residency	
Residential status	In all cases we require a 3 year UK residential address history.
Non EEA nationals	Must have been resident in the UK for the last 3 years and have permanent rights to reside in the UK.
Diplomatic immunity	Is not accepted if diplomatic immunity applies to immunity from UK law.

Income criteria

Precise Mortgages

At a glance

12	1	3
Months minimum trading period	Year's accounting evidence accepted	Months minimum in current job

Minimum earned income

- No minimum income requirements on loans under £1,000,000, but applicants will need to be able to cover rental voids should they arise.
- Holiday Let: the main applicant must have a minimum personal annual income of £40,000.
- For loans over £1,000,000 a minimum income of £100,000 from a sole source is required and proof of income must be provided.
- If excess earned income is used to support an application this must be of a sufficient level to meet the applicant's current commitments as well as any rental shortfall on the property. Please see page 10 for full details.

Employed

- A minimum employment period of 3 months in the applicant's current job is required, with 12 months continuous employment. An applicant with less than 3 months can be considered subject to the reason for the recent employment change being established and underwriter approval.
- Employment must be permanent and not subject to a probation period.
- Agency workers and zero hours contracts are not accepted.
- If the applicant is responsible for their overall tax and National Insurance contributions, or is a director with more than 25% share holding, they will be classed as self-employed.

The following are acceptable income sources:

Income type	Proportion allowable in calculation	Income type	Proportion allowable in calculation
Basic salary	100%	Mortgage subsidy	100%
Shift allowance	100%	Car allowance	100%
Large town allowance	100%	Overtime/bonus/commission	50%* (if regular/"guaranteed")
Childcare payments	100%	* Full amount should be keyed into the online application.	

Self-employed

Applicants will need to have been trading for a minimum of 12 months and we will require income verification for the number of years' income keyed onto our online application.

Acceptable income:

- For sole traders - net profit, private pension payments where declared on their SA302 or tax calculation.
- For partnerships - share of the net profit.
- For Limited Company directors - remuneration plus dividends, director's car allowance, director's pension payment.

Income verification:

- 1 year's SA302s and HMRC Tax Year Overviews or Tax Calculations and HMRC Tax Year Overviews or accounts (we only accept accounts prepared by accountants with the following qualifications: ACA/FCA, CA, ACCA/FCCA, AAPA/FAPA, CIMA, CIPFA.).
- In some cases 2 years' income verification is required.

Income criteria cont.

Precise Mortgages

Retired

- Personal or occupational pension income can be considered as the sole source of income subject to a full review of the application.

Additional income

Please see the below table for further information on additional income types that are accepted, subject to underwriter discretion.

Source	Amount eligible	Criteria
Tax credits	100%	▶ Latest Final Tax Credits award notification. ▶ Must have a minimum of 3 years left to run (based on ages of children).
Child Maintenance	50%*	▶ Must be via a CSA or court order. ▶ Must have a minimum of 3 years left to run.
Permanent second job	Maximum 50%*	▶ Position held for more than 12 months. ▶ Should be a permanent position. ▶ Confirmation that the hours worked are sustainable.
Pension income	100%	▶ Confirmed personal or occupational pension can be included.

*Full amount should be keyed into the online application.

Loan criteria

Precise Mortgages

At a glance

£3,000,000	20	80% LTV
Maximum loan size	Maximum number of Buy to Let Mortgages with Precise Mortgages up to a value of £10m	Available for loans up to £500,000

Maximum LTV

Our buy to let range is available up to 80% LTV, however LTV limits vary by product so please check the relevant product guide for full details.

- Studio flats - maximum LTV 70%
- Holiday Lets - maximum LTV 70%
- Multi-Units - maximum LTV 70% up to £1,000,000 or 75% up to £750,000
- Let to buy - maximum LTV 80%

The table below shows the LTVs applicable to multiple applications with Precise Mortgages:

Loan amount	Up to 5 applications	6 to 10 applications	11 to 20 applications
Up to £500,000	80%	75%	70%
Up to £750,000	75%	75%	70%
Up to £1,000,000*	70%	70%	70%
Up to £3,000,000	60%	60%	60%

* Loans above £1,000,000 are not available on HMO applications.

LTV limits are based on the net loan amount exclusive of any fees.

Loan term

Minimum: 5 years.

Maximum: 35 years.

Loan size

Minimum: £55,000 (unless otherwise stated in the relevant product guide).

Maximum: £3,000,000 subject to product restrictions (please see the relevant product guide).

Maximum in Scotland: £1,000,000.

Holiday Let: maximum loan size £500,000.

Multi-Unit: maximum loan size £1,000,000.

Porting

Our products are not portable.

Loan criteria cont.

Precise Mortgages

Portfolio landlords

A portfolio landlord has 4 or more mortgaged buy to let properties or 3 mortgaged buy to let properties, plus at least 1 pending application with Precise Mortgages.

The following should be included in the number of properties a portfolio landlord holds:

- All mortgaged buy to let properties owned by the applicant whether jointly, in their sole name or by a company of which they are a director or shareholder.
- Any property owned on a residential basis with Consent to Let.
- If the application is for a Limited Company, properties owned by the company's directors and shareholders, or owned by other companies of which the directors/shareholders are a shareholder or director.
- Unencumbered properties do not need to be included but may strengthen the overall portfolio.

As part of our underwriting process we will make an assessment of an applicant's portfolio based on their individual circumstances and taking into account the impact of future interest rate increases.

Please refer to the following on our website for further guidance:

- Portfolio calculator.
- Portfolio landlord.
- Business plan.
- Personal assets and liabilities statement.
- Existing property portfolio details.

Portfolio lending limits

- A single customer can have up to 20 individual buy to let loans with Precise Mortgages. This includes Second Charge Loans or Limited Company applications to which they are guarantor. The combined value of these loans must not exceed £10,000,000.
- There is no limit on the number of properties or loans an applicant has with other lenders.
- An applicant's portfolio with Precise Mortgages will be assessed at underwriting stage and as a result we may need to amend the loan amount shown on the DIP to meet the maximum LTV limits shown on page 8.

Remortgage applications

- Remortgage applications are acceptable providing it has been 6 months since either the original purchase date or the last remortgage date.
- Where a property has been inherited we can consider a remortgage application within the 6 months period if probate has been granted, however we will require evidence of this.
- Precise Mortgages' Bridging Finance borrowers can remortgage on to a Precise Mortgages Buy to Let Mortgage after 1 month.

Repayment methods

- Interest Only.
- Capital and Interest.

Offer validity

- Offers will be valid for 3 months from the valuation date. An offer extension may be considered (up to a maximum of 6 months from original valuation) on request from either a broker or a solicitor.
- New build: 6 months from valuation, extensions can be considered for a further 3 months subject to:
  - Confirmation of changes in circumstance are received in month 5 of the mortgage offer, before the expiry of the initial 6 month offer period.
  - A new credit search and affordability assessment.
  - All supporting documentation to be updated and resubmitted.
  - The case will be re-underwritten and must still be acceptable to us in line with our then prevailing mortgage lending policy and products.
  - A re-inspection of the property by the valuer (subject to a £100 fee).

All offer extensions must be requested by the acting solicitor or broker.

Let to buy

Where we are remortgaging a residential property onto a buy to let, there must be an ongoing residential purchase. The remortgage and purchase must complete simultaneously. A maximum 80% LTV will apply to let to buy applications and applications where non-self funding mortgages exist.

Affordability

Precise Mortgages

At a glance

110%	125% - 160%	5 year
Minimum ICR for income supported buy to let	Bespoke ICRs available	Fixed rates assessed at payrate

Interest Coverage Ratio (ICR)

The rent achieved by the property needs to be sufficient to meet the minimum rental cover requirements determined by the applicant's tax band as follows:

Tax band	ICR rate	Tax band	ICR rate
Basic rate	125%	Limited Companies	125%
Higher rate	145%	Bespoke ICR	125%-160%
Additional rate	160%		

* The customer's tax band should be based on all validated current income plus gross rental income (excluding any deductions) from all rental properties, including the security. Please refer to our online Buy to Let Calculator for further guidance.

The interest rate used in the ICR calculation is determined by the chosen product as follows:

- Tracker – the higher of pay rate +2%, or revert rate, at a minimum of 5.5%.
- Short term Fixed rate – the higher of pay rate +2%, or revert rate, at a minimum of 5.5%.
- 5yr+ Fixed rate – the initial pay rate.

We are able to consider using an applicant's income in support of the requested loan amount providing they meet our qualifying criteria, see page 11 for further details.

Where rental income is not sufficient to meet the minimum rental cover requirements using rental income alone or in combination with excess disposable income, Precise Mortgages may reduce the loan amount accordingly.

Bespoke ICR

The bespoke ICR will be calculated on an application when:

1. Rental income from property being purchased moves the applicant into a higher tax band.
2. Joint applicants are in differing tax bands.
3. Joint ownership is set up as tenants in common with unequal shares in the property.

5 year+ Fixed rate requirements

If a customer has chosen a 5 year+ fixed rate mortgage extra checks will be required when the LTV is greater than 60% and the minimum ICR is not met at an interest rate of 5.5%. The customer will need to demonstrate one of the following:

- Substantial net worth – We will look to verify that a customer has substantial net worth in fixed assets, such as property. This will typically be in the form of at least £250,000 equity in their residential home or at least £500,000 across a property investment portfolio. A fully completed Existing Property Portfolio Form will be required.

OR

- Satisfactory level of liquid assets – Forms of liquid assets could include (but is not limited to): cash deposits in savings or investment accounts, ISAs, PEPs, Investment Bonds and publicly listed Stocks & Shares. A fully completed Personal Assets & Liabilities form together with supporting validation demonstrating a sufficient level of assets will be required.

OR

- Excess disposable income – We will require evidence of the customer's income e.g. latest payslip or P60 for PAYE, latest set of accounts or SA302 (or online tax calculation) **PLUS** corresponding tax year overview for self-employed customers. The customer must have sufficient validated excess disposable income to cover the difference between the monthly interest payment at the fixed pay rate and at a rate of 5.5%.

Affordability cont.

Precise Mortgages

Top slicing

If the requested loan amount is not available because the rental income is not sufficient to meet our minimum ICR requirement, Precise Mortgages will consider using earned income to support the requested loan amount. The rental income must be a minimum of **110%** of the payment when calculated at the pay rate of the chosen product, earned income can then be used to meet the shortfall as determined by the ICR required for the loan based on our current lending criteria (please see page 10 for further details). If an applicant chooses to use earned income to support a loan income verification will be required.

The following criteria will apply:

- The applicant should own no more than 3 mortgaged buy to let properties, including the security address.
- Applicant 1 must own their residential home.
- The repayment method must be interest only.
- All existing credit commitments will be taken into consideration when completing an affordability assessment.
- Only one income supported buy to let application per applicant can proceed at any time.
- All income will need to be validated to the Precise Mortgages underwriter's discretion.
- If the application is a Let to buy details of the **new** residential mortgage repayment will need to the entered onto the online application. We will require evidence of this by way of a mortgage offer prior to an offer being made by Precise Mortgages.

  If the exact details are not known at the time of application, our ability to offer an income supported buy to let may be affected.
- HMO and Limited Company applications are not eligible for income supported buy to let.

Deposit criteria

Precise Mortgages

Source of funds

- The deposit must come from the applicant's own resources and have originated from within the EEA.
- Capital raising by way of a remortgage or secured loan on an existing property owned by the applicant is acceptable.

Family gift

- Acceptable unless the property is being purchased from the family member who is providing the gift.
- Where the property is being purchased from a family member at a discounted price, this is acceptable providing the family member will not continue to reside in the property following completion. Our lending and LTV will be based on the reduced price and the vendor relinquishing all rights to the property.

Builder's second charge

A builder's second charge is acceptable providing the customer is committing a 15% deposit from their own funds. Payments for the builder's second charge will be taken into account for affordability.

Unacceptable sources of deposit

- Vendor deposit (any vendor deposit will be deducted from the lower of purchase price/valuation and lending and LTV is to be based on the net figure).
- Purchase from a company that the applicant has an interest in.
- Ministry of Defence loan.
- Unsecured borrowing.

Limited Company criteria

Precise Mortgages

At a glance

4	125%	20
Maximum number of guarantors	Minimum ICR	Maximum properties to a value of £10m with Precise Mortgages

Applicant/guarantor profile

All directors and shareholders over the age of 25 will be required to provide a personal guarantee for the loan. There is no limit on the number of shareholders under the age of 25 subject to the shareholders being dependants of the directors.

Company profile

- Must be a Limited Company set up solely to own/buy/sell/let property.
- The company should have one or more of the following SIC codes (Standard Industrial Classification):
  68100 - Buying and selling of own real estate.
  68209 - Other letting and operating of own or leased real estate.
  68320 - Management of real estate on a fee or contract basis.
- Maximum 4 qualifying directors/shareholders none of which may be another Limited Company.

Maximum number of applicants/guarantors

4

Maximum term

35 years (maximum applicant/guarantor age at application 80 years).

Portfolio

Maximum of 20 buy to let loans per individual, with Precise Mortgages up to a combined value of £10,000,000 (this includes buy to let loans which the individual has guaranteed).

HMO criteria

Precise Mortgages

At a glance

8	80%	3
Maximum number of bedrooms	Maximum LTV	Minimum number of tenants

Definition

A HMO is defined as any property where both of the following conditions are met:

- There are at least 3 tenants who form more than one household.
- The tenants share toilet, bathroom or kitchen facilities.

Applicant profile

- Available to experienced landlords - applicants must have held a buy to let property for at least 12 months prior to an application being made.
- Available for personal ownership and Limited Company applications.

Loan

- Tier 1 and 2.
- Maximum loan amount - £1,000,000
- Maximum LTV -
  - 80% up to £500,000
  - 75% up to £750,000
  - 70% up to £1,000,000

  Portfolio lending limits may also apply, please see page 8 for further details.
- Rental will be assessed according to our standard ICR calculations.

Property

- Minimum valuation - £250,000 in London and £100,000 elsewhere.
- Available in England and Wales.
- Maximum bedrooms - 8.
- Where applicable, an application for any HMO Licence required by the Local Authority must have been made prior to completion.

First time buyer landlord criteria

Precise Mortgages

At a glance

75%	125% - 160%	70
Maximum LTV	Bespoke ICRs available	Maximum age at end of term

Definition

We define a first time buyer as an applicant who has not owned a property in the last 18 months.

Applicant profile

- All applicants must be first time buyers. If one or more applicants are not first time buyers our core Buy to Let Mortgage criteria will apply.
- Limited Company: If all applicants/guarantors are first time buyers, please contact us on 0800 116 4385.
- Unfortunately, we are unable to accept first time buyer landlords for HMO, Multi-Unit and Holiday Let applications.

Maximum LTV

75% LTV (dependent on specific product limits).

Maximum age

- 70 at the end of the mortgage term.
- May be extended to 75 subject to not exceeding any known and fixed retirement date.

Affordability assessment

- We will assess the landlord's earned income at full application stage.
- The property will need to meet our minimum ICR, please refer to our online Buy to Let Calculator for further guidance. In addition we will assess the landlord's earned income at full application stage as part of our affordability assessment. We will accept up to 2 applicants and income can be submitted for both which will be included in the affordability assessment, subject to the underwriter's discretion.
- Income verification and the latest 3 months' bank statements will be required.

Proof of income - employed

- Most recent 3 months' payslips and P60.
- If weekly – 12 weeks required.
- If employed by a family member – letter from accountant to support.
- Fixed term contract – a copy of contract (if less than 6 months to run, evidence of contract extension is required).

Proof of income - self-employed

- The latest 1 year's accounts, SA302 or tax calculation plus the corresponding tax year overview.
- In some cases 2 years' income verification is required.
- We only accept accounts prepared by accountants with the following qualifications: ACA/FCA, CA, ACCA/FCCA, AAPA/FAPA, CIMA, CIPFA.

New build criteria

Precise Mortgages

At a glance

80%	6	20
Maximum LTV	Month offer validity	Storey flats accepted

Definition

We define a new build as a property that has never been occupied.

Please note: we are unable to consider new build properties for Holiday Let or Multi-Unit applications.

Maximum LTV

80% LTV accepted.

Flats

We can consider lending on flats up to 20 storeys and new build flats with a commercial ground floor.

Offer validity

All new build property offers are valid for 6 months from the date of valuation.

We can consider extending the offer by a further 3 months subject to the following:

- Confirmation in changes of circumstance are received in month 5 of the mortgage offer, before the expiry of the initial 6 month offer period.
- A new credit search and affordability assessment.
- All supporting documentation to be updated and resubmitted.
- The case will be re-underwritten and must still be acceptable to us in line with our prevailing mortgage lending policy and products.
- A re-inspection of the property by the valuer (subject to a £100 fee).
- All requests for offer extensions should be submitted via the acting conveyancer.

Section 106 planning obligations

The following Section 106 planning obligations are acceptable:

- **Financial obligations -** Are acceptable subject to the conveyancer confirming that the monies due under the agreement have been paid in full or an indemnity exists within the agreement to indemnify any successors in title for any liability to repay any monies due.
- **In kind obligations (e.g. provision of open space, recreation facilities, education facilities,transportation plans, etc.) -** Are acceptable.
- **Restrictions on who can purchase the property -** Where the property is subject to a restriction that only allows it to be purchased or occupied by someone living or working in a specified area, this should be referred to us for individual consideration. Restrictions relating to purchasers being in housing need, not being able to afford to purchase on the open market or having income less than a certain amount are not acceptable.
- **Affordable housing -** It is acceptable for a development to be subject to a requirement to provide a proportion of affordable housing.

For any other planning obligation, please contact us.

Building Warranty

For new build properties and those less than 10 years old, building warranty from one of the following providers should be in place:

- Advantage HCI
- Aedis Warranties Ltd
- Building Life Plans
- Buildzone
- Checkmate (Castle 10)
- International Construction Warranties (ICW)
- LABC
- N.H.B.C. Guarantee
- Premier Guarantee Scheme
- Professional Consultants Certificate (previously Architect's Certificate)
- Protek
- The Q Policy
- Zurich Municipal "New build"

Holiday Let criteria

Precise Mortgages

At a glance

70%	£500,000	£40,000
Maximum LTV	Maximum loan amount	Minimum earned income for main applicant

Applicant profile

- Available to experienced landlords- applicants must have held a buy to let property for at least 12 months prior to an application being made.
- Minimum personal earner or pension annual income of £40,000 required for the main applicant and income verification will be required in all cases.
- Available for personal ownership and Limited Company applications.

Loan

- Tier 1 only.
- Maximum LTV- 70%.
- Maximum loan amount - £500,000.
- Rental will be assessed according to our standard ICR calculations. The property valuation report will include a standard buy to let rental figure based on the property being let on a 6 month AST basis. This will be the only figure we are able to use to make a rental assessment. Please see page 10 for further details.

Property

- Minimum property value- £150,000 in London, £50,000 elsewhere.
- The property can be a fully furnished house or flat, including studio flats.
- The property must be an established holiday let and we must be able to evidence that it is advertised as such. The URL link to the property advertisement will need to be provided on the online application. Advertising on social media is accepted where the property is also advertised on a formal letting website. Any properties advertised via Airbnb or selling sites will not be accepted.
- Properties located on a holiday park/village or that share communal facilities with other properties are not acceptable (this includes swimming pool and gym facilities). We are also unable to consider serviced apartments.
- The property must not have planning or occupancy restrictions.
- New build, Multi-Unit and HMO properties will not be accepted as holiday lets.

Multi-Unit criteria

Precise Mortgages

At a glance

75%	£1,000,000	6
Maximum LTV (up to £750,000)	Maximum loan amount	Maximum number of units

Definition

A Multi-Unit property is a single structure that contains separate self-contained units or flats that are held on a single freehold title. Each unit must be completely self-contained and meet our property criteria in its own right- including minimum valuation and ICR calculations.

Applicant profile

- Available to experienced landlords- applicants must have held a buy to let property for at least 12 months prior to an application being made.
- Available for personal ownership and Limited Company applications.

Loan

- Tier 1 only.
- Maximum LTV- 70% (up to £1,000,000), 75% (up to £750,000) portfolio lending restrictions may also apply. Please see page 8 for further details.
- Maximum loan amount- £1,000,000.
- The loan and rental calculations will be based on an aggregate of the individual unit values and rental values provided on the valuation report. If the valuation or purchase price is lower than the aggregated values, our lending will be based on the lower figure.

Property

- Minimum valuation- £150,000 in London and £50,000 elsewhere (if Multi-Unit, this applies to each unit).
- Maximum of 6 units within a single block, each unit must have a separate tenancy agreement.
- The property must be entirely on a freehold title, any property with separate leases will not be accepted.
- New build properties and properties defined as a HMO are not acceptable.
- Each unit must have a minimum floor area of 30m^2.
- Multiple houses held on one freehold title are not acceptable.
- Holiday Lets are not acceptable.
- Any adverse planning restrictions that could prevent the creation of leases are not acceptable.
- Available for properties in England and Wales.
- All other buy to let criteria will apply.

Please note: a Homebuyers Report will not be available for a Multi-Unit property.

Property criteria

Precise Mortgages

Minimum property value

- £50,000 or £150,000 in London postcode districts (if Multi-Unit, values are per unit).
- HMO properties: minimum £250,000 in London or £100,000.

Tenure

- Freehold - Unacceptable for flats/maisonettes with the exception of Multi-Unit properties. Heritable title acceptable in Scotland.
- Leasehold - Minimum remaining lease term should be 70 years at the time of application.
- Flying freehold - A property with an element of flying freehold can be considered providing it does not exceed 10% of the total area.
- Commonhold - Are not accepted.

Allowable locations

Mainland England, Wales and selected postcodes in Scotland.

The following Scottish postcodes are acceptable:

Tayside	DD - All	Ayrshire	KA - All mainland
Lothian	EH - All	Fife	KY - All
Stirlingshire	FK - All	Lanarkshire	ML - All
Glasgow	G - All	Renfrewshire & Argyll	PA - PA1 to PA19

Retentions

Are not accepted.

Inherited properties

- Where a property has been inherited, probate must have been granted prior to a mortgage application being made. Evidence of the Grant of Probate should be provided ahead of a Mortgage Offer being issued. Where the beneficiary is looking to capital raise on the property, the application should be submitted to us as a remortgage and no minimum period of ownership will apply in these cases.
- If the applicant is purchasing the property after being granted part of this in probate, we have no minimum period of ownership for the vendor.

Acceptable tenancies

- Properties in England and Wales must be let under a single assured shorthold tenancy or a common law tenancy (i.e. a company let or where the annual rent is greater than £100,000) or, for properties in Wales after commencement of the Renting Homes (Wales) Act 2016, a Standard Occupation Contract which must enable the landlord to terminate the letting on 2 months' notice (including a break clause where the term is fixed). Any type of tenancy must be for a maximum term of 36 months.
- Properties in Scotland must be let under a single short assured tenancy or, where a tenancy is created after 1st December 2017, a Private Residential Tenancy. Any type of tenancy must be for a maximum term of 36 months.

Unacceptable tenancies

Tenancy agreements for tenants in the following categories are not acceptable:

- DWP supported tenants.
- Asylum seekers.
- Tenants who have the benefit of diplomatic immunity.
- Any scheme where the property is assigned to a third party for the purposes of letting i.e. rental guarantee schemes.

Please contact us for full details of unacceptable tenancies.

Property criteria cont.

Precise Mortgages

Flats/maisonettes/apartments

- Must be self-contained with private facilities and have a minimum floor area of 30m².
- Must have direct access to the highway via covered common parts.
- Up to a maximum of 20 storeys.
- Flats above or adjacent to commercial premises may be considered on an individual basis.
- Ex-local authority flats or maisonettes may be considered providing they do not contain deck access. The block should be predominantly privately owned and will be subject to an individual underwriter review.

Studio Flats

- Minimum floor area 30m².
- Must be self-contained with private facilities.
- Maximum LTV 70%.

Modern Methods of Construction (MMC)

Properties that have any MMC components can be considered providing the property was constructed by one of the following companies:

- Barratt Developments
- Bellway
- Berkeley
- Bloor Homes
- Bovis Homes
- CALA Homes
- Crest Nicholson
- Galliford Try
- Persimmon
- Redrow
- Taylor Wimpey

New Build Properties

If the property was constructed within the last 10 years it will need to benefit from one of the following warranties:

- Advantage HCI
- Aedis Warranties Ltd
- Building Life Plans
- Buildzone
- Checkmate (Castle 10)
- International Construction Warranties (ICW)
- LABC
- LABC
- N.H.B.C. Guarantee
- Premier Guarantee Scheme
- Professional Consultants Certificate
- Protek
- The Q Policy
- Zurich Municipal "New build"

Unacceptable property types

Commercial

- Live/work units or any property where commercial usage exceeds 20% will not be accepted.

Construction

- Any property of Easiform construction.
- Any property containing mundic concrete.
- Any property containing no-fines concrete.
- Flats or maisonettes in blocks exceeding 20 storeys.
- Grade 1 listed buildings in England and Wales/Grades A and B in Scotland.
- Mobile homes and houseboats.
- Properties constructed with high-alumina cement, timber framed property with no brick skin or 100% steel or timber framed property.
- Property designated defective under Part XVI Housing Act 1985, Housing (Scotland) Act 1987 or Pre-Cast Reinforced Concrete (PRC) property (irrespective of whether repaired under a licence repair scheme).

Property criteria cont.

Precise Mortgages

Unacceptable property types cont.

Other

- Purchase from a company that the applicant has an interest in.
- Any property affected by Japanese knotweed.
- Any property deemed unsuitable security by the valuer.
- Any property where there is ongoing movement/monitoring is required.
- Property where material environmental hazards are present.
- Property where saleability may be adversely affected by local planning or by an unsatisfactory mining search.
- We are unable to consider any property being purchased under any social housing schemes (e.g. Right to Buy, Shared Ownership, Key Worker etc.). Additionally, we are unable to consider remortgaging any property purchased under any such scheme where the original vendor retains any interest or where any pre-emption clause remains.
- We will not lend where the property is affected by or within influencing distance of any significant factor which will have a negative impact on the property's value or re-saleability (e.g. overhead pylons, sub stations, etc).

Restricted Covenents

We are unable to consider any property that may have a restricted occupancy clause within the planning permission, e.g. it can only be occupied for a maximum of 11 months in any one year. Property with unrestricted occupancy can be considered provided our normal requirements are met.

Similarly, property that can only be used for retirement or sheltered accommodation is not accepted. This is the same for any property where a planning restriction (e.g. agricultural restriction) effectively limits a property's appeal on the open market.

Please note for new builds, we do consider Section 106 planning obligations please see page 16 for further information.

Structural reports

Reports may be accepted from members of the following bodies:

- The Institution of Structural Engineers (www.istructe.org.uk).
- The Institution of Civil Engineers (www.ice.org.uk).

The report must be referred to the valuer for comment. If the report is not addressed to the applicant, written confirmation must be obtained from the originator that its contents may be relied upon by the applicant.

We will not lend on any property with either ongoing movement or where monitoring is required, where this is identified by either the valuer, or where evident in the structural engineer's report.

Specialist reports

On some occasions we may require a specialist's report for the property, these most commonly comprise of:

- Timber and damp, electrical, trees, cavity wall tie.
- Mining report (as these are obtained by the solicitors, a special condition is imposed at offer).

Any such reports should be prepared by a reputable firm and should be forwarded to us for review and referral to the valuer.

Other

- We are unable to lend where the property has been purchased from a company that the applicant has an interest in.
- We are unable to lend where the property is subject to either a back-to-back or sub-sale agreement or subject to a finder's fee.
- Properties built within the last 10 years must benefit from an acceptable warranty scheme, please refer to page 16 for more information.
- We may consider, on an individual referral basis, properties with:
  - 3 or more acres of land.
  - Deck access providing the property is not ex local authority.
  - Majority flat roof.
  - Restrictive or unusual planning permission.
  - Overriding interests.

Fees

Precise Mortgages

Fees that may be added to the loan

The product and telegraphic transfer fees can be added to the loan amount. Any fees added will not be incorporated into the LTV calculation but will be included in our affordability assessment.

Product switching fee

If the applicant decides to change the product on the application after the mortgage product has been offered, the below non-refundable administration fee is payable prior to the amended mortgage offer being issued.
£70

Valuation fee

Please see our dedicated web page for details of our valuation fees.

Property re-inspection fee

Where a reinspection is necessary after the initial valuation is carried out, the following fee is payable.
£100

Telegraphic transfer fee

£25

Redemption administration fee

£114

- Please refer to the 'Tariff of mortgage charges' document for full details. A downloadable version is available on the Precise Mortgages' website under 'Document downloads'.
- All fees include VAT (where applicable).

Conveyancer fees

Full details of our conveyancing options can be found at precisemortgages.co.uk/Residential/Conveyancer.

Submission requirements

Precise Mortgages

Document	Loans less than £1,000,000	Loans more than £1,000,000
Standard declaration	☑	☑
Proof of income	☑ If ICR less than 145% ☑ Basic rate tax payers ☑ First time buyers ☑ Income supported buy to let ☑ Holiday Lets - required for main applicant	☑
Bank statements	☒ For Tier 1 and Lifetime Tracker products ☑ For Tier 2 and 3 products ☑ First time buyers ☑ Income suported buy to let ☑ Holiday Lets - required for main applicant	☑
Proof of deposit (savings/other)	Underwriter discretion	☑
Gifted Deposit Form	☑ Where gift is over £50,000. A Gifted Deposit Form is available on our website.	☑ Where gift is over £50,000. A Gifted Deposit Form is available on our website.
Asset and liabilities form	☑ If 5 year Fixed rate	☑
Identification	If applicant fails electronic identification check.	
Proof of address	Where applicant has not been on the electoral register in the last 12 months.	
Mortgage conduct	Only if conduct is not on the credit search.	
UK Finance Disclosure of incentives form	Required for new build.	
5 Year Fixed Rate Submission Form	Submitted for all 5 year Fixed rate cases greater than 60% LTV.	
Existing Property Portfolio Details Form	Submitted for all 5 year Fixed rate cases greater than 60% LTV.	
Anticipated exchange and completion dates	Information required for new build.	
Portfolio Landlord	▸ Existing Property Portfolio details. ▸ Personal Assets and Liabilities statement. ▸ Business Plan. ▸ Latest 3 months' bank statements showing rental income and mortgage repayments. This information can be provided using our forms, the landlords forms or in any other format.	

You must provide this information when submitting the application. You must notify the applicant(s) of these requirements and that they need to provide correct and complete information. Our ability to make a full assessment and proceed with an application may be affected if we do not receive all required information.

Please note that further documents may be requested at the discretion of our underwriters if required to approve the mortgage. Where additional documentation is required, our underwriters will communicate these requirements to you and the associated time scale for their submission.

Documentation guidelines

Precise Mortgages

All documents must be submitted with a completed Document Certification Form or be individually certified in accordance with our Anti-Money Laundering Guidelines.

Standard declaration	Must have both pages uploaded and be signed and dated.
Proof of income - employed	▶ Most recent 3 months' payslips and P60. ▶ If weekly – 12 weeks required. ▶ If employed by a family member – Letter from accountant to support. ▶ Fixed term contract – A copy of contract (if fewer than 6 months to run, evidence of contract extension is required).
Proof of income - self-employed	Latest 1 or 2 year's accounts. We only accept accounts prepared by accountants with the following qualifications: ACA/FCA, CA, ACCA/FCCA, AAPA/FAPA, CIMA, CIPFA. OR latest 1 or 2 years' SA302 (or online tax calculation) PLUS corresponding tax year overview.
Proof of income/other income	▶ Tax credits - All pages of award letter and age(s) of children. ▶ Pension - Confirmation from pension provider. ▶ Second job - 3 months' payslips and P60. ▶ Maintenance - Court or CSA order and 3 months' bank statements. ▶ Rental income - SA302 (or online tax calculation) and tax year overview OR 3 months' bank statements/AST.
Bank statements	▶ Latest 3 months' required. ▶ Must show - Salary/self-employed income, household utilities, daily expenditure, current mortgage or rent payments. ▶ Statements always required for the account nominated for Precise Mortgages Direct Debit.
Gifted deposit	For gifts over £50,000, a Gifted Deposit Form is available on our website.
Proof of deposit (savings/other)	▶ Regular savings - 3 months' bank statements to evidence build up of funds. ▶ Lump sum - Latest statement plus evidence of the originating source. ▶ Forces Help to Buy - Personal information note.
Identification	▶ Refer to Anti-Money Laundering Guidelines available at precisemortgages.co.uk for certification requirements and acceptable documents. ▶ Confirmation face to face identification has taken place. Where not face to face, 2 forms of identification are required from Group A/B.
Proof of address	▶ Bank statement/utility bill/council tax bill/mortgage statement (see list C in our Anti-Money Laundering Guidelines).
UK Finance Disclosure of Incentives form	To confirm full details of all incentives being received.
Let to buy	Buy to let remortgage - Copy of the mortgage offer for the onwards residential purchase.