

## Buy to Let Questions and Answers

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## General

### **What can you expect from our BTL offer?**

You will have access to BTL products and criteria that are exclusive to you, as we are not offering BTL through our branches or telephone distribution.

We'll offer consistent service standards in line with residential and an online application process with minimal paperwork requirements, an immediate online decision (subject to survey) and an updated website (Afl.com) with new BTL tools

### **Who is our BTL offer suitable for?**

Our BTL offer is designed to target new or small volume landlords adding a first or second BTL investment and who are looking to take advantage of our competitive fixed rate products.

### **What is the regulatory position of the BTL products we offer?**

Most BTL mortgages are not regulated by the FSA and do not come under the Mortgage Conduct of Business (MCOB) rules.

A small proportion of BTL lending is regulated where this type of lending meets certain criteria. An example of a regulated BTL is one where an immediate family member intends to live in the property

We will only accept non regulated BTL applications from intermediaries who are authorised by the FSA to give mortgage advice.

### **Will we accept BTL applications from intermediaries who are not authorised by the FSA for residential mortgages?**

We will only accept these applications from intermediaries who are authorised by the FSA to give mortgage advice, and you must be registered with us.

### **As BTL is mostly unregulated, are you still required to produce a KFI at point of sale?**

For BTL, you should continue to follow your own compliance process, with the majority of firms or networks following similar guidelines to residential lending.

We will continue to produce a KFI which will accompany the mortgage offer.

### **Will our BTL products be available through Santander branches?**

No. We have no plans to offer BTL mortgages through our branch network.

## **BTL Products**

### **What types of BTL products do we offer?**

We offer fixed rate BTL mortgages with initial terms of 2 years on an interest only or capital repayment basis for new purchase and remortgage customers up to 75% loan to value.

### **Where can you find details of our BTL products?**

Full details of our products are on sourcing systems from 13<sup>th</sup> December 2011 and also on our website.

### **What incentive packages are available on our BTL products?**

We offer our Homebuyer Solution on selected products, free valuation and £250 cashback. The Homebuyer Solution is subject to the same terms and conditions as that on residential mortgages.

Our Remortgage Solution is not available for BTL products.

### **What is our standard variable rate for BTL products?**

The SVR for BTL is the same as our residential.

### **What are the ERCs on our range of BTL products?**

These are the same as our residential ERCs.

### **Can you add the booking fee to the loan on BTL products?**

All our products allow the booking fee to be added to the loan, unless highlighted on our Rate Bulletin. Interest will be charged on fees when they are added to the loan.

### **Do we refund any BTL application fees if it is declined by an underwriter?**

Any **booking fee** paid will be refunded.

Any **valuation fee** paid will not be refunded. Valuation fees that have been paid will only be refunded if a valuation is cancelled prior to the surveyor's visit to the property otherwise the fee is not refundable. The fee payable includes a survey set up fee of £90, which is non- refundable in any circumstances.

### **Is the £750 mortgage buffer available on BTL?**

Yes, our £750 mortgage buffer is available on BTL for both purchase and remortgage applications.

### **Can your clients taking out a new BTL mortgage with us apply for a further advance in the future?**

No, we will not be offering further advances for our BTL customers.

### **Will our BTL products be portable?**

Yes, our Abbey BTL products will be portable. Existing A&L BTL mortgage products cannot be ported via our intermediary channel.

## **BTL Lending Policy**

### **Where can I find details of our BTL lending criteria?**

Our BTL lending criteria is available on our website.

### **How do I work out whether the BTL property is self-financing?**

You should complete the Property self-financing assessment form on our website to confirm that the BTL property is self-financing. You will need this information when completing an application on Introducer Internet.

### **Why do we not accept applications with four or more tenants?**

This is because applications where there are four or more tenants are more likely to be defined as a House of Multiple Occupancy (HMOs). HMOs are unacceptable to us.

### **What are our minimum and maximum loan sizes?**

Our minimum and maximum loan sizes are set out in our BTL lending criteria, currently they are £25,000 and £500,000 respectively.

### **Will our Fast Track service be available for BTL?**

Yes, an application that meets certain criteria may be fast tracked, i.e. submitted without proof of income, to simplify the paperwork required to speed up the mortgage process. The AIP will confirm the documentation required.

You must ensure you are satisfied that the income declared is accurate and that at the time of full case submission you have supporting evidence of income which meets our requirements. This information should be retained on file for a minimum of two years from the date of completion.

We will continue to undertake regular monthly checks with a sample of intermediaries to request this proof of income. Intermediaries failing this audit will have their access to fast track restricted and may lose their procurement fee.

If you have had your access to fast track restricted for residential lending you will not have access to fast track for BTL lending (or vice versa).

### **What is the maximum number of BTL mortgages your client can have with us?**

A landlord is allowed a maximum of 2 BTL mortgages with Santander UK, for the purposes of our BTL policy this includes any existing Abbey and Alliance & Leicester BTL mortgages. For example a potential BTL applicant who already has an existing A&L BTL mortgage may only apply for one new BTL property.

### **What is the maximum number of BTL mortgages your client can have at application?**

A landlord is allowed to hold a maximum of 2 BTL mortgages at application with another lender. The landlord may only apply for one more BTL property with us.

### **Can an existing A&L BTL customer remortgage their A&L BTL to us?**

No, we are unable to accept BTL remortgages from Alliance & Leicester to Abbey.

## **BTL Valuations**

### **What are our valuation fees for a BTL mortgage?**

The valuation fees scale for a BTL property is the same as our residential fees.

### **Will we be using AVMs for BTL mortgage applications?**

No, every BTL property will be visited by and assessed by a valuer.

### **Why do we have a minimum acceptable property value?**

For launch, we have decided to limit our BTL offer.

### **If we have down valued the property and it is now valued at less than the minimum property value quoted in our lending policy – can we still lend on that property?**

No, we are unable to lend if the property does not meet our minimum property value.

### **Why is there no appeal against the surveyor's decision on the purchase price and rental?**

A valuer will visit every property to ensure that the property represents a suitable security for the risk to us. The valuer's decision in all cases is final and non negotiable.

### **Will we be offering a 'maximum loan' for BTLs?**

Provided the property meets our minimum property value, our underwriters may be able to offer your client a maximum loan.

### **At what stage of the process will we instruct the BTL valuation?**

We will instruct the valuation once the application has been received as part of our initial setup and vetting process.

### **Why are BTL valuations instructed before applications are underwritten by an underwriter?**

This is because the underwriting process for BTL is dependent on an underwriting assessment of the valuation.

### **Will we accept valuation transcripts for Scottish BTL cases?**

No, we do not accept transcripts.

### **Are there any restrictions on New Build for BTL?**

Applications must meet our standard requirement for New Build. The maximum we will lend on a New Build flat is 70% LTV.

### **What types of properties are unacceptable for BTL?**

In addition to exclusions under our standard mortgage policy, the following property or ownership types are unacceptable:

- Houses in Multiple Occupation (HMOs) requiring mandatory licensing
- Affordable housing schemes including: shared equity, shared ownership, low cost or restrictive resale covenant schemes, key worker
- Right to Buy properties within the discount repayment period
- Farms and smallholdings
- Live/ Work Units (integrated living and working accommodation within a self-contained unit)

- Leasehold property where a controlling share of the freehold is also owned by the borrower (unless the freehold can also be held by us as security for the mortgage)
- Sale and rent back / leaseback schemes (i.e. where a previous owner rents the property)
- Properties in the Isle of Man

**Is there a restriction on the number of floors we will lend on in blocks of apartments or flats?**

Typically, there is no restriction on the number of floors if there is a lift. Like all properties our valuer will determine acceptability, for example a flat in a block over six storeys with no lift would not be acceptable.

## **BTL Applications on Introducer Internet**

### **How do I submit a paper application?**

We do not accept paper based BTL applications.

### **Why can't I amend my BTL full application once I have submitted it?**

You can amend the application up to the agreement in principle; however once you have submitted the application, any further submissions can only be for an additional property. This is to ensure that you only submit a maximum of two applications per client. Please refer to our Information Submission guide for further detail on how to submit new information.

### **For a joint application does it matter which way round the applicants are input into the online application?**

Yes, the first applicant must be employed and must be earning at least £25,000 basic. Self employed, contractors or retired applicants must be input as applicant 2. Rental income must be input under applicant 1 - the rental income must not be input in twice.

### **If you take an AIP forward to submit as a full application but choose the wrong one, what options are available to you?**

Unfortunately once the application has been taken forward to an FMA you cannot take any other versions of that application forward for full submission. You will have to start a new application.

### **If there is a deficit on the BTL property self-financing assessment, what do I need to do?**

The application you are attempting to submit is not acceptable because the property is not self financing. You will need to reduce the loan amount to an amount that ensures this is a self-financing application.

### **Why do we have a comprehensive list of policy questions up front and at every stage of the application?**

The purpose of the upfront questions is to filter out applications where we would be unable to lend.

We ask some of the questions again during the online application, where they are particularly important.

### **How long will BTL AIPs remain available for submission?**

The Retrieve AIP function for BTL works the same as residential; any AIPs not submitted will be available for AIP submission for 60 days.

### **How does the Amend AIP function work for BTL?**

Amend AIP for BTL works the same as residential. However, once a version of the application is progressed to FMA you will not be able to copy the AIP or make any amendments. When an Amend AIP is submitted the application reference will end with B#C#. E.g. AF1234567B1C1

### **How does the Completed AIP function work for BTL?**

Completed AIPs for BTL work differently from Completed AIPs for residential applications. When you select a Completed AIP, you will have the option to convert the AIP to an FMA or retain the AIP in its current state. Once converted to FMA, you will not be able to copy the AIP or make any further amendments.

### **If you want to add an additional property how would you do this?**

There are two ways that you can start an Additional Property application.

The first option is after submission of the first application. On the Declaration and Submit tab a 'copy' button will display and once selected the Additional Property application will load.

The second option is using the Additional property function from the BTL menu. When 'Add' property is selected the Additional Property application will load.

**If you try to submit an application on Introducer Internet and you have a technical problem, who should you contact?**

Please contact the Introducer Internet Helpdesk on 0845 600 8210

## **BTL Applications processing**

### **What information can you provide to us by 'broker notes' on Introducer Internet or by document upload?**

The information submission guide has been updated to include BTL applications, please refer to this guide for full details.

### **Will you be able to add a secondary email on BTL applications?**

Yes, this functionality is available on BTL applications. Remember you must not under any circumstances add the landlord's email address.

### **Will BTL applications benefit from end to end case tracking through MATS?**

Yes, BTL applications will generate MATS messages at all stages up to completion. Please be aware that because of the differences in the BTL process valuation messages will be sent prior to a case decision.

### **If an application is declined and you want to speak to someone about it who should you contact?**

Please contact your BDM or TBDM.

### **If you wish to discuss the processing of a pipeline BTL case who should you contact?**

You should contact our admin team on 0845 602 8284.

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