

BUY TO LET

BROCHURE

Your guide to choosing a
Buy to Let Mortgage with
Positive Mortgages

Welcome to Positive Mortgages

Positive Mortgages is part of Positive Lending, a multiple award winning professional mortgage brokerage, based in Ringwood, Hampshire.



We use our extensive knowledge of the market to ensure that you get the very best service from our team of experts. As a broker that not just focuses on the mainstream market we have the experience to assist clients with more complex borrowing requirements.

We are a whole of market mortgage broker with access to thousands of mortgage products and creative specialist lending solutions too.

So if you are buying your first home, looking to refinance or capital raise, buy an investment property for you or for your business, or maybe build your own home - or a suite of 60 homes if you are a professional developer, we have the experts to assist.

Since our inception in 2008 we have helped thousands of borrowers arrange more than £1.5bn in mortgage finance.

So you are in very safe hands.





How Does Your Buy to Let Mortgage work?

A Buy To Let mortgage is a loan provided by a lender to finance the purchase of a Investment Buy To Let property.



Here's how buy to let mortgages typically work:

Property Purchase: You identify a suitable property to purchase as a buy-to-let investment. This could be a house, apartment, or any other residential property.

Mortgage Application: The borrower applies for a buy-to-let mortgage by submitting an application to a lender. The application typically includes information about the borrower's financial situation, employment history, credit history, and details about the property they intend to purchase.

Rental Assessment: The lender assesses the potential rental income that the property can generate. This is done by evaluating factors such as the property location, market rental rates, demand for rental properties in the area, and any rental history or projections provided by the borrower.



Loan Amount and Terms: Based on the rental assessment and the borrower's financial profile, the lender determines the maximum loan amount and offers terms and conditions for the mortgage. The loan amount is often based on a percentage of the property's value or purchase price, and the borrower may need to contribute a down payment.

Interest Rate and Fees: The lender specifies the interest rate for the buy-to-let mortgage, which can be fixed or variable. The borrower also pays any applicable fees, such as arrangement fees, valuation fees, or legal fees associated with the mortgage.

Tenancy and Rental Income: After securing the mortgage, the borrower finds suitable tenants and enters into a tenancy agreement. The rental income generated from the tenants is used to cover the mortgage repayments, property management costs, and other expenses associated with the property.

Repayment: The borrower makes regular mortgage payments to the lender based on the agreed-upon terms. The

payments typically include both principal (the amount borrowed) and interest (the cost of borrowing). The borrower is responsible for ensuring that the rental income is sufficient to cover the mortgage payments.

Property Management: The borrower is responsible for managing the property and addressing any maintenance or tenant-related issues. Alternatively, they may hire a property management company to handle these tasks on their behalf.

Long-Term Investment: The borrower holds the property as a long-term investment, with the aim of generating rental income and potentially benefiting from capital growth. They may choose to sell the property at a later date or use the rental income to pay off the mortgage over time. Borrowers could be liable for both income tax while letting the property and capital gains tax when selling. You must inform HMRC via a tax return each year once you have an investment property.

It's important to note that the specific details and requirements of buy-to-let mortgages can vary among lenders and jurisdictions. Borrowers should consult with lenders or mortgage professionals and seek independent tax advice to understand the specific terms, conditions, and processes associated with their particular buy-to-let mortgage. Additionally, it's crucial to consider the potential risks and rewards of buy-to-let investments and to conduct thorough research before entering into such transactions.

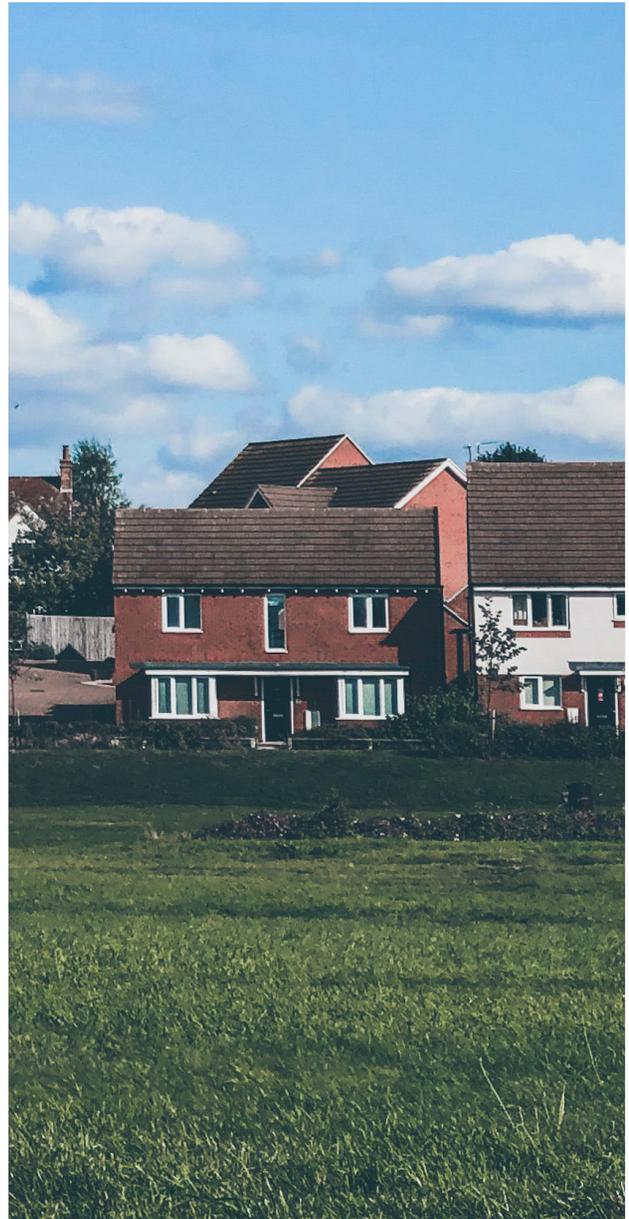


What happens next?

After you speak with one of our team:



- 1** After discussing your requirements with you, and with your express consent, we will speak to various lenders on your behalf and make an appropriate recommendation to you. We aim to ensure you have written terms from a lender within 48 hours.
- 2** If you wish to proceed we will pass the application across to our professional mortgage administrators. We will need some documentation from you whilst this is taking place but the team will let you know more about that at the time.
- 3** We will request the documents usually required by the recommended lender, check these against the lender's criteria before collecting any fees and proceeding with the application.



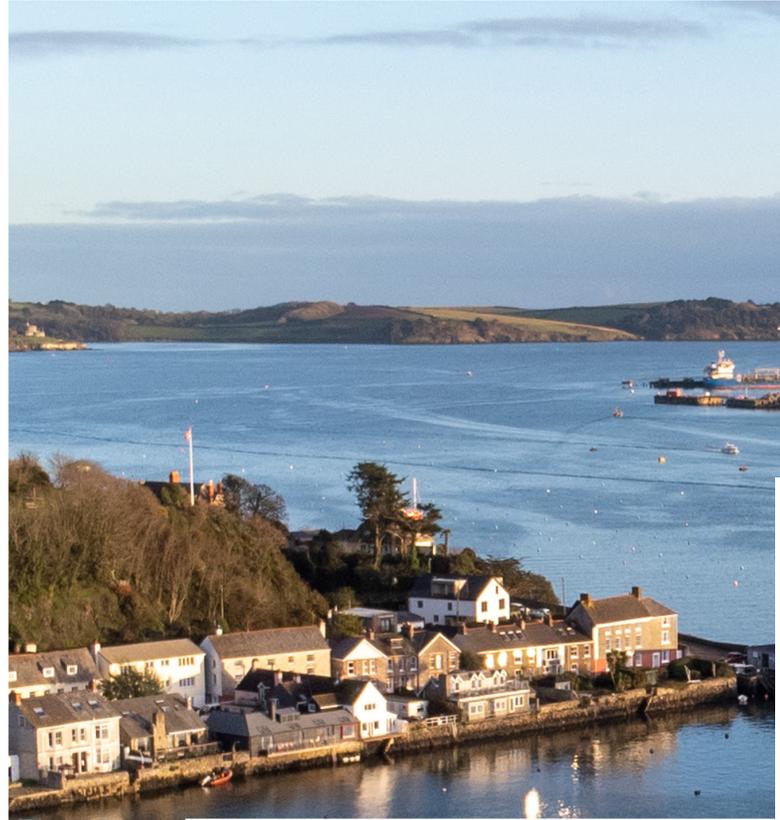
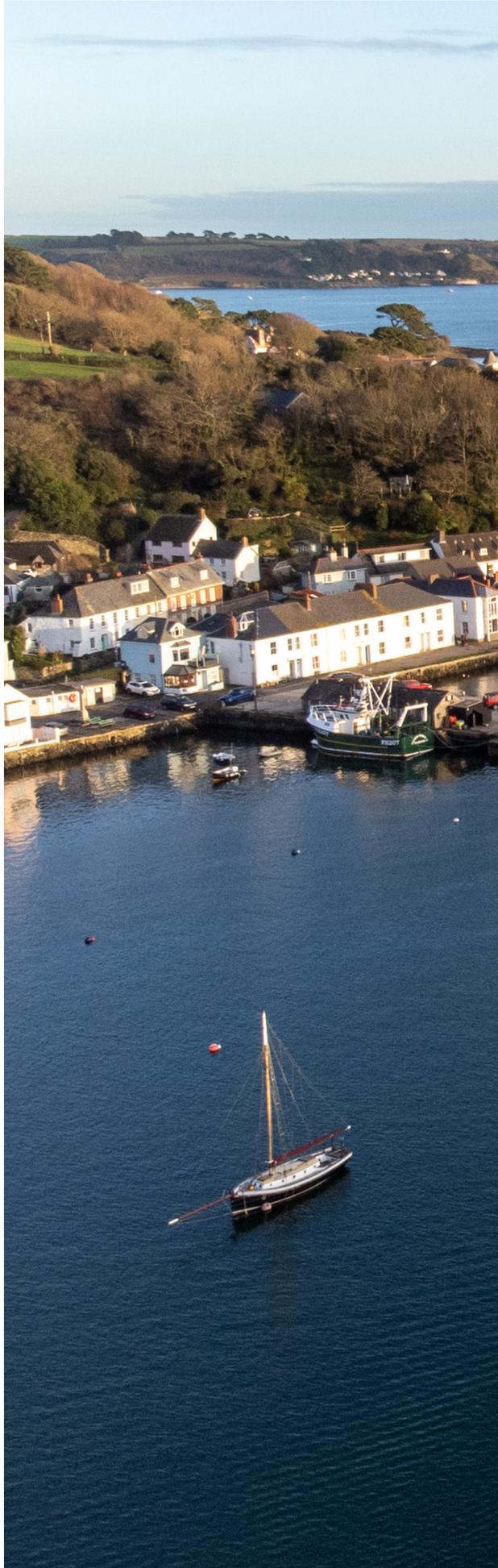
4 The lender will review the documents provided and may ask for additional supporting documents. They may instruct a valuation/survey whilst assessing these or will wait until the application has been assessed and underwritten.

5 If the valuation / survey report is ok and all outstanding items are received for the lender an offer will be provided to you. At this stage you may be using the services of a solicitor to complete the enquiries about the property from the lenders solicitor, but not always. If you are using a solicitor to

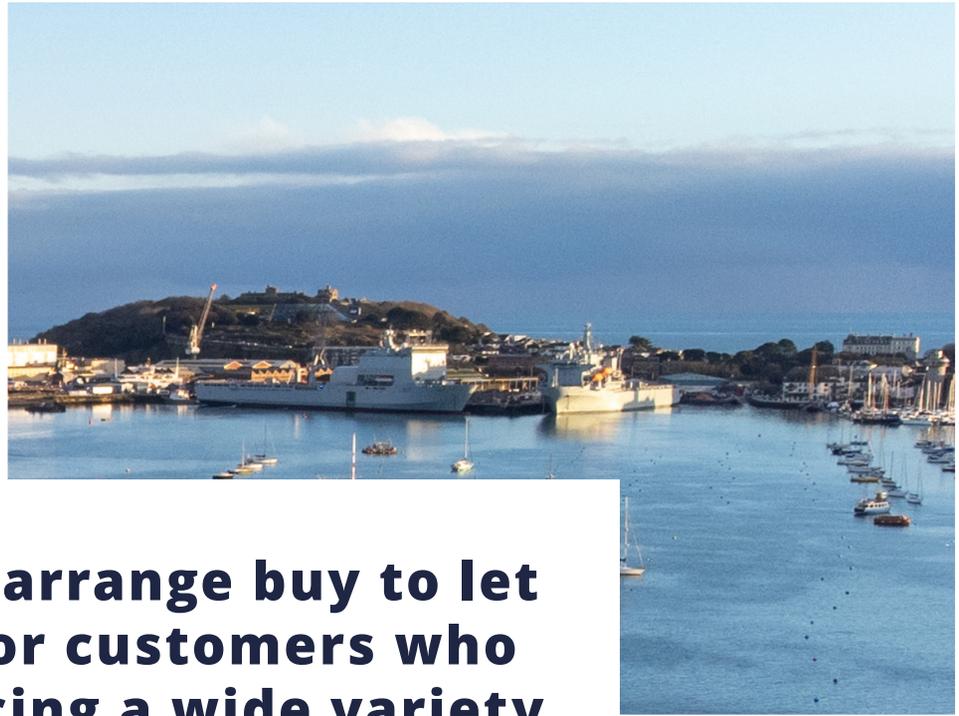
complete the purchase they will receive a copy of the offer too.

6 You will usually need to sign the legal documentation in front of your solicitor. Some lenders are moving to e-signatures. We will let you know which route your lender uses.

7 If all enquiries are satisfied including legal works the funds are released to the solicitors upon the Completion Date.



- ✓ Limited companies
- ✓ First-time landlords (including First Time Buyers)
- ✓ No minimum income
- ✓ No credit score
- ✓ Lending into retirement
- ✓ Current & historic adverse
- ✓ Let to Buy
- ✓ Consumer Buy to Let (CBTL) some accidental landlord is where the property is purchased as an investment, for example, to a relationship breakdown or to help a family member
- ✓ HMOs
- ✓ Multi-unit blocks
- ✓ Holiday Lets
- ✓ Student lets
- ✓ Properties over commercial buildings
- ✓ Multi-let on one title
- ✓ Adjoining properties
- ✓ Non owner occupiers
- ✓ Interest Only options available



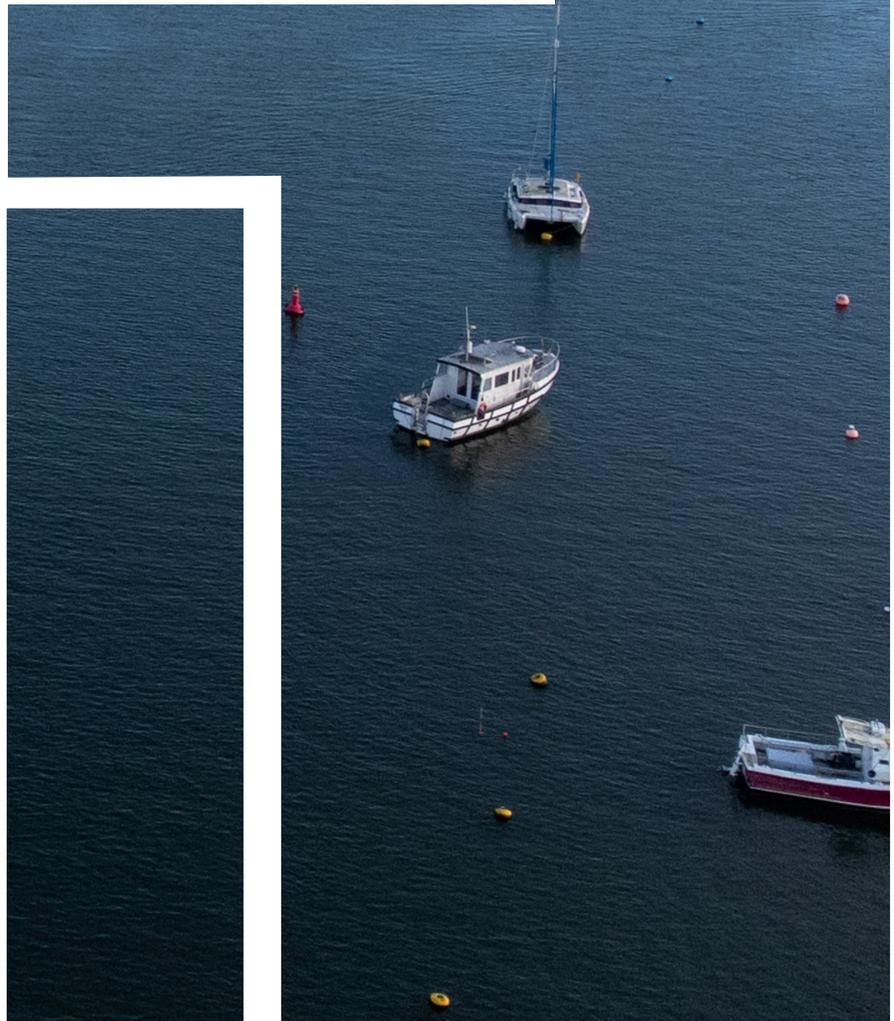
We regularly arrange buy to let mortgages for customers who are experiencing a wide variety of scenarios including:

(including First Time Buyers)

Sometimes referred to as
the property is not specifically
for example an inheritance, due
or temporary move for work

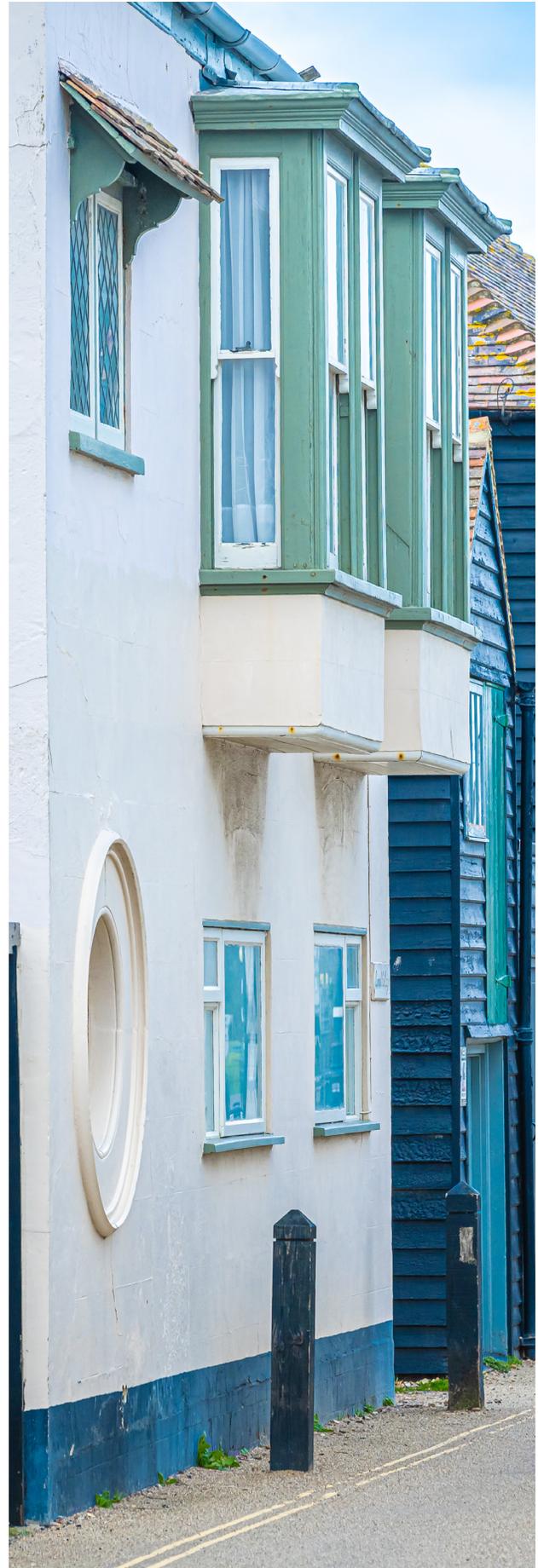
Buildings

e



Buy to Let Highlights

- ✓ Loans from £25,001 to £15million or more
- ✓ No minimum credit score
- ✓ Common sense underwriting
- ✓ Historic adverse credit considered
- ✓ Income assisted products use income to top up a rental shortfall
- ✓ No minimum personal income
- ✓ Employed or Self employed
- ✓ Up to 4 borrowers' income considered
- ✓ HMO's and MUB (Multi Unit Blocks) acceptable



Did you know...

We are a multi-award winning packager, regularly recognised for providing first class service to intermediaries and borrowers.

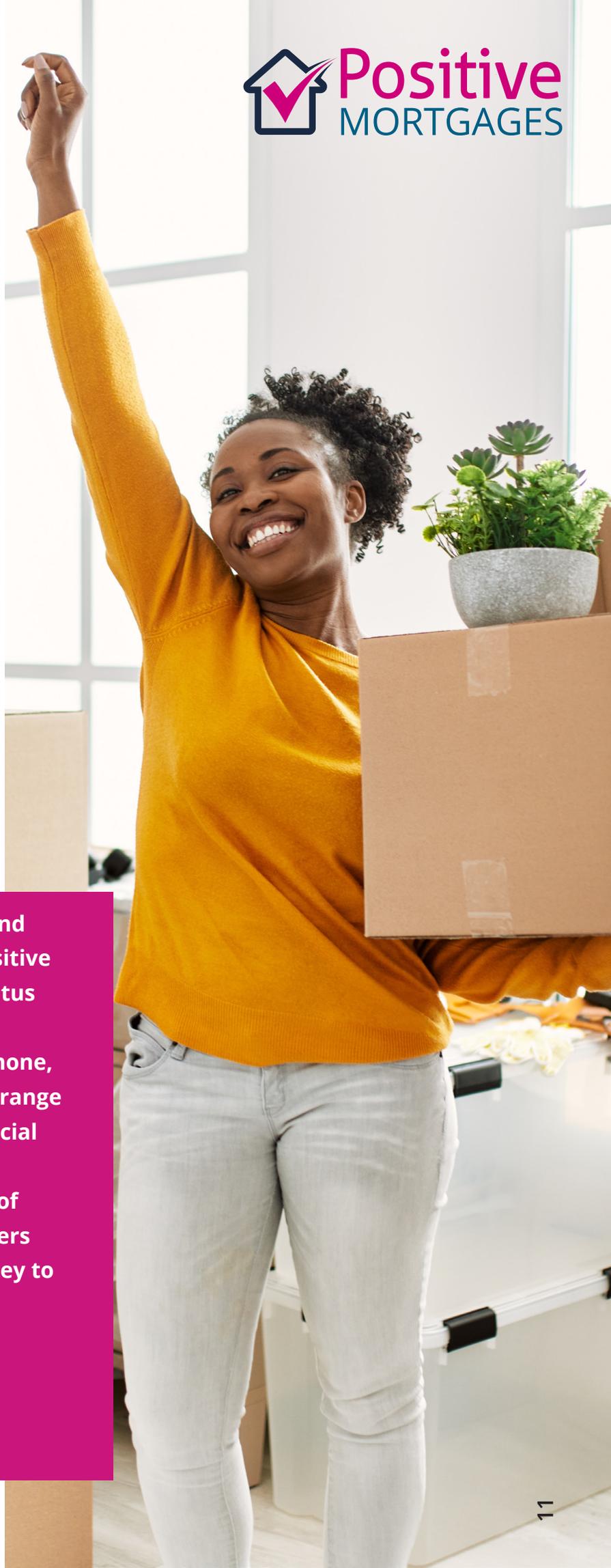
Our team have over 400 years' combined experience, working for financial services and blue chip companies.

We also offer:

- ✓ Second charge mortgages (Residential and BTL)
- ✓ Bridging Finance
- ✓ Commercial lending
- ✓ Development Finance
- ✓ Specialist Residential mortgages
- ✓ Equity release

"Together has a long standing and successful relationship with Positive lending, who are a key Gold Status packaging partner. The team at Positive Lending are second to none, expertly distributing the entire range of Together's specialist commercial and residential products. Their attention to detail, and quality of cases received, ensures customers receive a smooth and fast journey to completion."

Marc Goldberg
Director
Together Money





Top Tips



- 1** All lenders will require evidence of your income(s). Make sure you have your latest 3 months payslips ready if you are employed or the last 3 years self employed figures (SA302's and Tax Year Overviews) ready.
- 2** In order to ensure that any new mortgage repayment is affordable, lenders will run affordability assessments as part of an application process. Please be aware of your monthly household expenditure including essentials such as utility bills, food, petrol/travel and "luxury" such as holidays and entertainment so that we can be as accurate as possible when running affordability calculations. It is also advisable to have enough funds available as a contingency for fees and moving costs etc.
- 3** Lenders will typically request and review latest 3 months of Bank Statements to ensure that stated expenditure is consistent with what goes through the bank account. Please have these ready so that when requested we can provide them to the lender.



4 Proof of Deposit is another item lenders will want to see, so please have statements showing deposit funds and how they have been accumulated.

5 Proof of ID and address is also required. Please ensure that all documents such as passports, drivers licenses are in date and have the correct details on them (including current addresses). Utility bills would need to be dated within last 3 months.

6 Protect your investment with the right insurance. Insurance will protect your property against risks, provide financial security for both you and your family, meet lender requirements, ensure compliance with legal obligations, and offer peace of mind and stability in the face of unforeseen events.

7 When starting to consider getting onto the property ladder, review your credit report regularly so there

are no surprises and keep track of your credit score.

8 Have a chat with a mortgage broker to assess affordability before making any offers on properties.

9 If you are currently renting out your property or other properties, a copy of the AST (Assured Shorthold Tenancy) agreement will be required. If your property has a commercial element and is rented out, a copy of the lease will be required.

10 Make sure you understand the tax implications for you while renting the property and also when you sell the property. Please note that dependent on where you are buying the property there may be additional taxes, and you should ensure that you have suitable funds to pay those in addition to your deposit. To find out more about Stamp Duty Land Tax, click [here](#) to visit the Government Website.

We always recommend you seek independent tax advice as we cannot offer advice on this.



Understanding Terminology

Here are some common jargon terms related to buy to let mortgages and their meanings



Application: The borrower applies for a mortgage by submitting an application to a lender. The application typically includes information about the borrower's financial situation, employment history, credit history, and details about the property they intend to purchase.

Agreement in Principle (AIP) or Decision in Principle (DIP): An AIP or DIP is a statement from a mortgage lender, indicating how much they may be willing to lend you for your mortgage. It is worth noting that this is not a firm confirmation or a binding agreement.

Valuation / Survey:

This is done to ensure the property is adequate security for the borrowing and is for the lender's benefit it is not a condition or home buyers survey although critical issues will be reported on if identified.





Deposit:

The borrower contributes a down payment or deposit towards the purchase price of the property. The deposit is typically expressed as a percentage of the property's value and is made at the time of closing. The deposit reduces the loan amount and affects the LTV ratio.

Mortgage Offer:

If the lender approves the mortgage application and is satisfied with the property appraisal, they issue a mortgage offer to the borrower. The offer includes the terms and conditions of the mortgage, such as the interest rate, loan amount, repayment term, and any special requirements or features.

Mortgage Agreement:

Once the borrower accepts the mortgage offer, they enter into a legal agreement with the lender. This agreement outlines the rights and obligations of both parties, including details about the repayment schedule, interest

calculations, prepayment options, and potential penalties.

Completion:

Completion is the final stage of the mortgage process. It involves the transfer of ownership from the seller to the buyer and the disbursement of the mortgage funds from the lender to the borrower. At closing, the borrower signs the necessary legal documents and pays any closing costs associated with the transaction.

Repaying the Mortgage:

Interest Only, during the life of the loan you are only servicing the interest and will still owe the capital borrowed plus any added fees or Repayment, during the life of the loan part of the monthly payment is used to service the interest debt and part to reduce the capital debt. Your illustration and offer will show how the debt would reduce over the period this is known as the

amortization table.

Interest Rate Options:

Fixed, for a set incentive period your rate and payments will not change. Great if you want to budget, or Variable your monthly payment could change as lender rates change but may be cheaper at outset than fixed rates.

Remember - It's important to ensure that you fully understand the terms and conditions of any financial obligations you may take on, so please don't hesitate to ask if you have any questions.

Further info



[Positive-mortgages.co.uk](https://www.positive-mortgages.co.uk)

You will have a dedicated advisor and support staff to assist you with your Buy to Let application.

You can always call us directly on **01202 850 830** (Option 2) or email us on Sales@positive-mortgages.co.uk and one of our team of experts will be happy to help you.



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THINK CAREFULLY BEFORE SECURING ANY DEBTS AGAINST YOUR HOME OR PROPERTY. YOUR HOME OR PROPERTY MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.

Positive Mortgages recommends that you seek independent tax advice regarding the purchase and letting of an investment property to ensure you understand all the tax implications of owning an investment property.

Consumer Buy to Let (CBTL):

Consumer Buy to Let (CBTL) mortgages whether set up as a 1st charge or 2nd charge basis are regulated by the Financial Conduct Authority (FCA) and covered by the Financial Ombudsman Service (FOS). However, they are not covered by the Financial Services Compensation Scheme. Please contact us to discuss if your circumstances would be considered CBTL and how this would affect a mortgage application.

Stamp Duty for additional properties:

If you are buying an additional property there is a Stamp Duty Land Tax surcharge. Please make sure you understand this additional cost before committing to buy. You can check this at:
Stamp Duty Land Tax – GOV.UK (www.gov.uk)

Positive Mortgages is a trading style of Positive Lending (UK) Limited, authorised and Regulated by the Financial Conduct Authority FRN 6076822

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