

## BUY TO LET LENDING CRITERIA - SEPTEMBER 2010

### Maximum loan to value (LTV)

The maximum LTV is dependent on the scheme chosen.

The maximum LTV for a new build apartment (less than 36 months old) is 50% LTV.

Applications received outside this policy will be returned. No exceptions will be allowed.

### Maximum individual loan

The maximum advances for an individual Buy to Let property are as follows:

LTV	Maximum advance
Up to 50%	£1,000,000
Over 50%*	£500,000

\* Individual product limits apply.

### Maximum aggregate loan

The aggregate loan limit on all rental properties in mortgage to the Coventry Building Society Group\* is £1,000,000 to single or joint borrower(s). The minimum individual loan is £25,001.

\* The Coventry BS Group includes Coventry Building Society and Godiva Mortgages Limited.

### Number of properties

The maximum number of rental properties a household can have mortgaged with the Coventry BS Group is three. The maximum Buy to Let portfolio with all lenders (including Coventry BS Group) is ten per household.

### Rental income

The minimum rental income required on your client's Buy to Let property is 125% of the current interest only monthly payment.

Monthly interest is calculated at the same rate. The monthly rental income used is the estimated figure quoted in the valuation report.

### Employment status of applicant(s)

The applicant(s) can be either employed, self-employed or retired. Employed applicants must have been in continuous employment for at least 3 months prior to the application. All self-employed applicants must be able to provide proof of income over a minimum of a 12 month period. 100% of state and/or private pension may be used in the minimum income calculation.

### Minimum income

Net minimum income is £25,000 (where the application is in joint names the main earner must have a net income of at least £25,000). Net income is defined as annual income before tax minus a deduction for ongoing unsecured financial liabilities.

### Minimum and maximum age of applicant(s)

Minimum age of the customer (or first applicant in a joint application) is 21 years and the maximum age at the end of the mortgage term is 75 years.

## Property type

Properties must be let to a sole occupant or single family unit only. Properties with more than one kitchen or properties designed or converted for multiple occupancy are not acceptable, e.g. bed-sits, DWP hostels. Properties for student lets will be considered where a maximum of four students are allowed.

Flats in a block of more than ten storeys, or on the fifth storey or above in a block without lift access, will not be considered.

The maximum LTV for a new build\*/converted apartment is 50% LTV.

\* We define new builds as properties that have been built within three years of the mortgage application or are properties to be occupied for the first time. This includes flat conversions where the number of flats in the development exceeds ten.

## General eligibility

- Applications to remortgage a main residence to a Buy to Let are not acceptable in any circumstances.
- Buy to Let loans are only available to customers who currently own a UK property (not available to First Time Buyers).
- Buy to Let loans will only be granted to named individuals, and loans on commercial properties are not available.
- Rental properties must be let to individuals on an assured shorthold tenancy basis, or to companies on a corporate let, for a minimum term of six months and a maximum term of 12 months.
- Each Buy to Let property must have its own mortgage.
- For remortgages, applicant(s) must have owned their property for a minimum of six months for an application to be considered.
- For purchase applications, the vendor must have owned the property for a minimum of six months as at the date of application.

## Property valuations

One valuation is included, up to £680, provided the valuation is instructed by us. If instructed at application, we will discount the Homebuyers' Report. For full details please visit [www.coventryintermediaries.co.uk](http://www.coventryintermediaries.co.uk)

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