

BUY TO LET LENDING CRITERIA — SEPTEMBER 2011

Maximum loan to value (LTV)

- The maximum LTV is dependent on the scheme chosen.
- The maximum LTV for a new build/converted* apartment/flat (less than 36 months old) is 50% LTV.
- Applications received outside this policy will be returned. No exceptions will be allowed.

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

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.

We reserve the right to restrict the maximum LTV in certain locations or developments.

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, Godiva Mortgages Limited and ITL 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) must be either employed, self-employed or retired (or at least one applicant in joint situations). 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 a state and/or private pension may be used in the minimum income calculation.

Minimum income

Sole applicant's must have a minimum gross income of £25,000. For joint applications, at least one applicant must have a minimum gross income of £25,000, or a joint minimum gross income of £30,000.

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 number of storeys for ex-Local Authority and ex-Housing Association blocks of flats is five.

General eligibility

- Applications to remortgage a main residence to a Buy to Let (i.e. 'Let to Buy') 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.
- Sale and rent back transactions are not accepted and any application will be declined. Sale and rent back is defined as a situation where a property is being purchased on a Buy to Let basis where the property is to be immediately let to the previous owner.

Property valuations

One valuation is included, up to £700, 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

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All information is subject to change. Product information is subject to availability and may change. This information is for intermediaries only and is not intended for distribution to potential customers.

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