

# What is a BTL portfolio landlord?



A portfolio landlord is a client who has four or more Buy to Let mortgaged properties. This definition applies to sole and joint (or more) applications in the following way:

- **Sole applications** – if an applicant owns four or more mortgaged Buy to Let properties, including the property they're applying for, we'll class them as a portfolio landlord.
- **Joint (or more) applications** – we base our calculation on the total number of mortgaged properties in which **any or all** of the borrowers have a legal ownership, including the property they're applying for.

## Our criteria

The good news is that all of our **standard BTL policy** still applies to the subject property on portfolio landlord applications, including:

- The maximum number of BTL mortgages per household with any lender allowed is 10.
- The maximum number of BTL mortgages allowed per household with CBS group is five.
- Where there are two or more applicants, the minimum ICR applied will be based on each individual's total gross annual income and the applicant with the highest tax status.
- No minimum income or time in employment
- For the subject property, our existing LTV limits, maximum aggregate loan of £2m and minimum rental income criteria will remain the same.

## Portfolio landlord specific criteria includes:

The following applicants must have a minimum ICR of 145% for the whole portfolio using the applicable reference rate irrespective of product types across all properties within the portfolio – including unencumbered properties.

Applicants resident in England, Wales & Northern Ireland, that are higher or additional rate tax payers, or have a total gross annual income of  $\geq$ £49,000

Or

Applicants resident in Scotland that are higher or top rate tax payers, or have a total annual gross income of  $\geq$ £42,500

Alternatively, the following applicants must have a minimum ICR of 125% for the whole portfolio using the applicable reference rate irrespective of product types across all properties within the portfolio – including unencumbered properties.

Applicants resident in England, Wales & Northern Ireland, that are non-tax payers, starter, basic or intermediate rate tax payers, or have a total gross annual income of  $<$ £49,000

Or

Applicants resident in Scotland that are non-tax payers, starter, basic or intermediate rate tax payers and have a total annual gross income of  $<$ £42,500

No individual property within the portfolio should have an ICR of less than 100%. Where there is a property not currently tenanted (e.g. due to a void period), the ICR must be calculated based upon the estimated rent (from applicant declaration, providing the rental void period has been less than two months).

Where the rental void period has been two months or more an explanation should be obtained from the applicant.

The dedicated BTL portfolio underwriting team will also review the portfolio to consider geographical exposure and property management risk. For example, the number of properties in the same block of flats or street, and how the properties are managed.

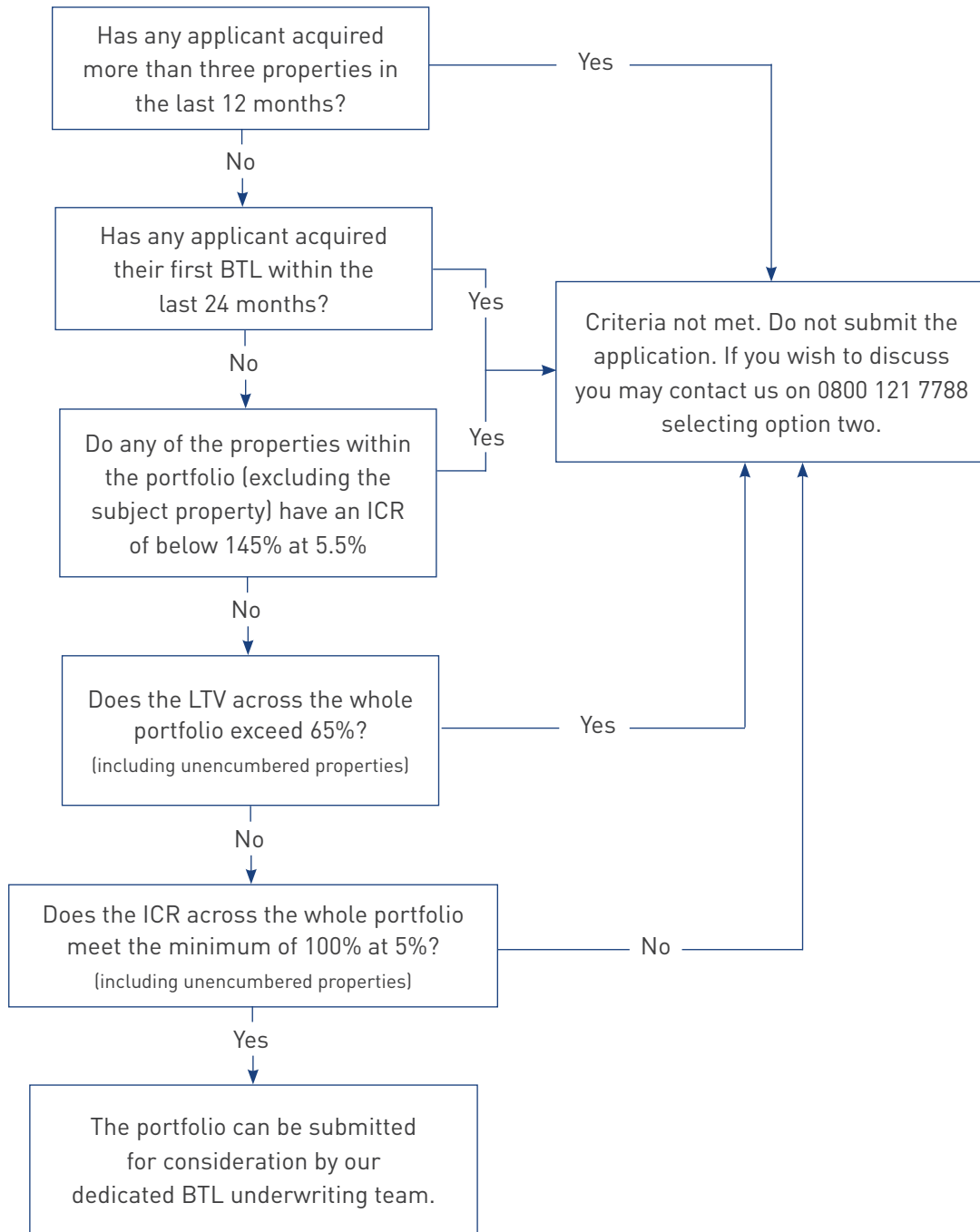



## For example

If Mr B solely owns two mortgaged properties and Miss C solely owns one mortgaged property, and together they apply for a mortgage on a new BTL purchase, they will have four properties in aggregate. In this case, we'll consider them to be a portfolio landlord.

## The Whole Portfolio (for those defined as portfolio landlords)

Questions applicable where client(s) have four or more mortgaged BTL properties, individually or in total (including this application)



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