Kensington

2 April 2019

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NEW BUY TO LET LENDING RATES OUTSIDE THE BOX

what MORTGAGE AWARDS WINNER 2016 - 2017 - 2018
Best Buy-to-Let Mortgage Lender

THIS INFORMATION IS FOR INTERMEDIARIES ONLY

Buy to Let 2 April 2019

BUY TO LET RATES

Kensington review the LIBOR rate quarterly. The current LIBOR rate is 0.90% with effect from 13th February 2019 – LIBOR floor 0.00% (minimum charge will be the reversion margin indicated)*

Broker procuration fee 0.40%.

LTV	Rate Type / Term	Rate	Feature	Assessment Rate	Completion Fee	Maximum Loan	Reversion
70%	2 Year Fixed	2.54%	x	5.50%	1.50%	£2,000,000	LIBOR plus 4.15%*
	5 Year Fixed	3.64%	x	3.64%			LIBOR plus 2.11%*
	2 Year Fixed	2.69%	✓	5.50%	£1,999		LIBOR plus 4.15%*
	5 Year Fixed	3.84%	✓	3.84%			LIBOR plus 2.31%*
	2 Year Fixed	3.29%	✓	5.50%	£0		LIBOR plus 4.15%*
	5 Year Fixed	3.89%	✓	3.89%			LIBOR plus 2.36%*
75%	2 Year Fixed	2.69%	x	5.50%	1.50%	£2,000,000	LIBOR plus 4.15%*
	5 Year Fixed	3.79%	x	3.79%			LIBOR plus 2.26%*
	2 Year Fixed	2.79%	✓	5.50%	£1,999		LIBOR plus 4.15%*
	5 Year Fixed	3.94%	✓	3.94%			LIBOR plus 2.41%*
	2 Year Fixed	3.39%	✓	5.50%	£0		LIBOR plus 4.15%*
	5 Year Fixed	4.04%	✓	4.04%			LIBOR plus 2.51%*
80%	2 Year Fixed	3.24%	x	5.50%	1.50%	£1,000,000	LIBOR plus 4.15%*
	5 Year Fixed	4.09%	x	4.09%			LIBOR plus 2.56%*
	2 Year Fixed	3.34%	✓	5.50%	£1,999		LIBOR plus 4.15%*
	5 Year Fixed	4.19%	✓	4.19%			LIBOR plus 2.66%*
	2 Year Fixed	3.89%	✓	5.89%	£0		LIBOR plus 4.15%*
	5 Year Fixed	4.29%	✓	4.29%			LIBOR plus 2.76%*
85%	2 Year Fixed	4.59%	x	6.59%	1.50%	£500,000	LIBOR plus 4.15%*
	5 Year Fixed	5.29%	x	5.29%			LIBOR plus 3.76%*
	2 Year Fixed	4.69%	✓	6.69%	£1,999		LIBOR plus 4.15%*
	5 Year Fixed	5.44%	✓	5.44%			LIBOR plus 3.91%*
	2 Year Fixed	4.94%	✓	6.94%	£0		LIBOR plus 4.15%*
	5 Year Fixed	5.59%	✓	5.59%			LIBOR plus 4.06%*

Early Repayment Charges apply, see table for details.

BUY TO LET RATES – PROPERTY PLUS^

Kensington review the LIBOR rate quarterly. The current LIBOR rate is 0.90% with effect from 13th February 2019 – LIBOR floor 0.00% (minimum charge will be the reversion margin indicated)*

Broker procuration fee 0.40%.

LTV	Rate Type / Term	Rate	Feature	Assessment Rate	Completion Fee (can be added)	Maximum Loan	Reversion
75%	2 Year Fixed	2.79%	x	5.50%	1.50%	£500,000	LIBOR plus 4.15%*
	5 Year Fixed	3.89%	x	3.89%			LIBOR plus 2.36%*
	2 Year Fixed	2.89%	✓	5.50%	£1,999	£500,000	LIBOR plus 4.15%*
	5 Year Fixed	4.04%	✓	4.04%			LIBOR plus 2.51%*
	2 Year Fixed	3.49%	✓	5.50%	£0	£500,000	LIBOR plus 4.15%*
	5 Year Fixed	4.14%	✓	4.14%			LIBOR plus 2.61%*

^Details on back page.

Early Repayment Charges apply, see table for details.

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Please note we only accept advised cases.

BUY TO LET RATES – HMO & MUB**

Kensington review the LIBOR rate quarterly. The current LIBOR rate is 0.90% with effect from 13th February 2019 – LIBOR floor 0.00% (minimum charge will be the reversion margin indicated)*

Broker procuration fee 0.40%.

LTV	Rate Type / Term	Rate	Feature	Assessment Rate	Completion Fee (can be added)	Maximum Loan	Reversion
65%	2 Year Fixed	2.69%	x	5.50%	1.50%	£1,000,000	LIBOR plus 4.15%*
	5 Year Fixed	3.84%	x	3.84%			LIBOR plus 2.31%*
75%	2 Year Fixed	2.84%	x	5.50%	1.50%	£1,000,000	LIBOR plus 4.15%*
	5 Year Fixed	3.99%	x	3.99%			LIBOR plus 2.46%*
80%	2 Year Fixed	3.34%	x	5.50%	1.50%	£1,000,000	LIBOR plus 4.15%*
	5 Year Fixed	4.29%	x	4.29%			LIBOR plus 2.76%*

**Houses of Multiple Occupation (HMOs), Multi Unit Freehold Blocks (MUBs).

Early Repayment Charges apply, see table for details.

Early Repayment Charges

Term	Year 1	Year 2	Year 3	Year 4	Year 5
5 Year Fixed	4.00%	3.00%	1.50%	1.00%	1.00%
2 Year Fixed	3.00%	2.00%			

Feature

✓	Standard Valuation fee paid by Kensington for Purchases Either free valuation available, or free valuation & £250 cashback for re-mortgage. Free Legals not available. (Standard legals only available on loans up to £500,000. For full details please see our Criteria Guide)
x	None

Credit History

Defaults acceptable if older than 24 months
Satisfied CCJs acceptable if older than 24 months
We are able to accept unsatisfied CCJs that are registered over 24 months ago at the underwriter's discretion
Secured Loan Arrears acceptable if older than 24 months
Unsecured Credit arrears acceptable if accounts now up to date (max status of 2 in last 12 months)
All communications Defaults ignored
We are unable to accept any Debt Management Plans (DMP) in place less than 12 months

Criteria Overview

Rental Coverage	Rental cover is calculated using individual circumstances and will give the maximum amount customers can expect to borrow based on their personal, property and income details. The cover ranges from 125% assessed on a monthly payment calculated at 5.50% or the assessment rate plus 2.00% if higher (< 5 year fixed) or refer to the appropriate assessment rate (> 5 year fixed). Please see our calculator at www.kensingtonmortgages.co.uk for more details.
Minimum Loan Amount	£25,001.
Maximum Loan Amount	Buy to Let loans are available to £2m up to 75% LTV; £1m up to 80% LTV; £500k up to 85% LTV. Please note that our maximum lending to an individual (or joint applicants) is limited to no greater than £2m combined across Residential and Buy to Let mortgages. HMO and MUB maximum loan amount £1m.
Early Repayment Charges	See table for details.
Employment Status	Employed/Self-employed.
Region	England, Wales and Scotland only.
Minimum Age (at submission)	At least one applicant should be a minimum of 25 years old. All applicants must be at least 18. At least one of the directors of the Limited Company must be aged 25 or over. All other directors must be at least 21.
Maximum Age	70 at application. No age limit at the end of the term.
Minimum Term	5 years (minimum 10 years where any element of the loan is on Interest Only).
Maximum Term	40 years.
Minimum Valuation	£75,000
New Build	Subject to product maximums and underwriter discretion regarding new build exposure. Once an Offer is produced it is valid for a 180-day period. Extensions may be granted on purchase applications subject to re-assessment of the client, income (where applicable), re-inspection of the property (where applicable) and new product. New build properties are not acceptable for HMO and MUB applications.
Minimum Income	No minimum income required for existing landlords. A minimum income of £25,000 is required for applicants who do not currently own a Buy to Let property.
Referencing	At least one applicant must be an existing Residential homeowner, unless they have owned 4 or more Buy to Let properties or their employer provides tied accommodation or at least one applicant earns a minimum of £40,000. HMO and MUBs are not available to first time landlords. Credit search and valuation report will be obtained by Kensington. Current and previous mortgage history (both Buy to Let and Residential) will be verified by reference to Credit Bureau data where possible. For income please provide the most recent payslip and the latest P60/last payslip of the financial year, or a copy of the applicant's most recent finalised and agreed accounts (for tax assessment) attached to their headed paper or SA302.
Let to Buy	We will consider a BTL application where an applicant intends to let their existing residential property. We will require details of the new residential address that the applicant is moving in to and a copy of the mortgage offer from the new lender.
Portfolio Landlord (with 4 or more mortgaged properties)	There is no overall portfolio limit (Kensington exposure to £2m). All portfolio landlords must complete a portfolio summary and provide the 3 largest Assured Shorthold Tenancy agreements. Limited Companies are treated as a separate entity. Portfolio rules apply to Limited Companies that own 4 or more mortgaged properties. Where an applicant has 4 or more properties with Kensington the portfolio will be subject to a weighted average LTV of 75%. Current terms maintained for landlords with 3 or fewer mortgaged properties.
Limited Company Buy to Let	Lending to Limited Companies: Specific SIC codes only: 68100 - Buying and selling of own real estate; 68209 - Other letting and operating of own or leased real estate; 68320 - Management of real estate on a fee or contract basis; 68201 - Renting and operating of Housing Association real estate. Maximum 4 directors (at lease one director must hold a minimum shareholding of 20%). Applicant Directors must have a combined shareholding of at least 75% of the company. All Guarantors will be underwritten. Standard BTL criteria that applies to individual landlords, will also apply to Guarantors on Limited Company BTL. All individual directors must provide a personal guarantee on a joint and several basis. They will also be required to receive independent legal advice on the nature and effect of the guarantee being provided. HMO and MUB applications are acceptable
Property Plus	Range allows for lending on the following (subject to an acceptable valuation with no comments negatively effecting resale): Pre-fabricated Reinforced Concrete, Poured Concrete, Steel Framed / Steel Clad (pre 2000), 100% Timber Framed (post 1980), Cob Construction, Colt Construction, Concrete Block, Stone and Part Rendered Breeze block with Pebble Dashed Outer Walls For additional non-standard construction types refer to: www.kensingtonmortgages.co.uk/lendingcriteria

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Kensington and Kensington Mortgages are trading names of Kensington Mortgage Company Limited. Registered in England & Wales: Company No. 03049877. Registered address: Ascot House, Maidenhead Office Park, Maidenhead SL6 3QQ. Kensington Mortgage Company Limited is authorised and regulated by the Financial Conduct Authority (Firm Reference No. 310336). Some investment mortgage contracts are not regulated by the FCA.

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