

Buy to let mortgages guide

26 August 2021



Aldermore

FOR INTERMEDIARY USE ONLY

Buy to let mortgage guide

Who's this for?

All types of landlords from individuals with single or few residential properties to companies with multiple properties.

What's changed?

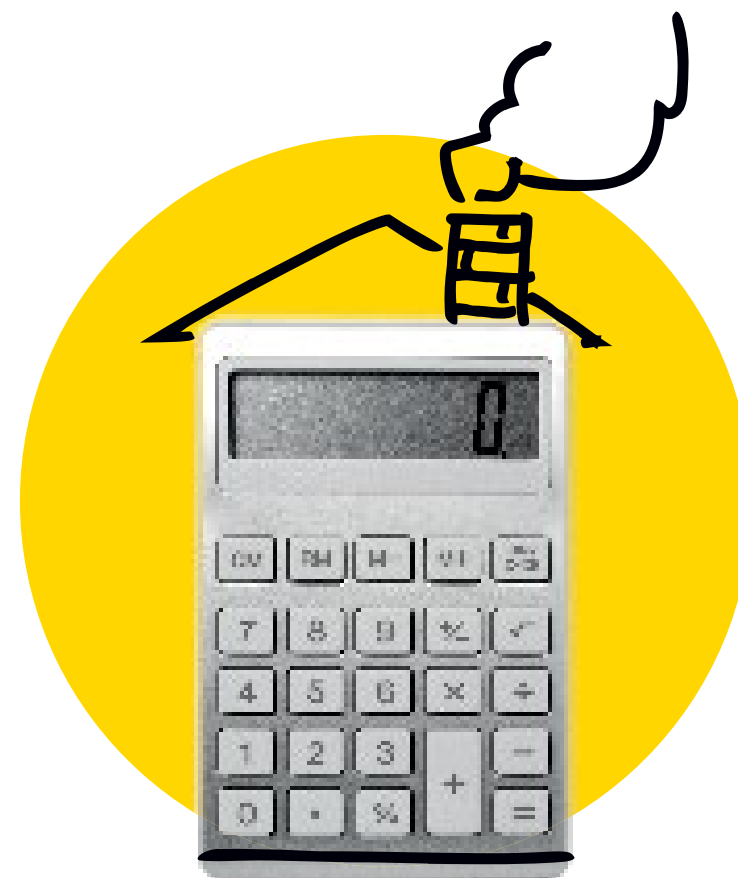
We're back with new buy to let products, reduced rates and additional fee options.

How much could your client borrow?

Before you submit your client's decision in principle (DIP), use our **online calculator** to ensure you know that the case passes affordability. It's the same one our underwriters use!

Remember to enter all information accurately and never round up/down any commitments.

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Buy to let for individuals

Single residential investment properties

Purpose		Purchase and Remortgage						
Maximum portfolio size		Up to £5m		£500k	Affordability calculation rate			
Maximum loan size		£1m			70%	75%	80%	Pay or reversion rate
Maximum LTV		70%	75%	80%				
2 year fixed	Initial rate	3.38%		3.88%	5.50%	5.88%	Higher of (i) pay rate + 2% or (ii) 5.5%	125% for a basic rate tax payer (110% including use of surplus income)
	Product fee	1.50%						
	Reversion rate	4.58% (AMR + 0.00%)	5.08% (AMR + 0.50%)	5.33% (AMR + 0.75%)				
5 year fixed	Initial rate	3.48%		3.98%	3.58%	3.98%	Higher of (i) pay rate or (ii) reversion rate plus 0.75%	145% for a higher or additional rate tax payer (120% including use of surplus income)
	Product fee	1.50%						
	Reversion rate	2.83% (AMR -1.75%)		3.23% (AMR -1.35%)				

Incentives

Purchase products	None - Legal, valuation and funds transfer fees will apply
Remortgage products	Free legal fees, free valuation and no funds transfer fee

Aldermore Managed Rate (AMR) [^]	4.58%
Procurement fee	0.50%

[^]The AMR is a variable rate set by Aldermore

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Buy to let for companies

Single residential investment properties

Purpose		Purchase and Remortgage						
Maximum portfolio size		Up to £5m		£500k	Affordability calculation rate			Minimum interest cover ratio
Maximum loan size		£1m			70%	75%	80%	
Maximum LTV		70%	75%	80%	70%	75%	80%	Pay or reversion rate
2 year fixed	Initial rate	3.38%		3.88%	5.50%	5.88%	Higher of (i) pay rate + 2% or (ii) 5.5%	125% or 110% including use of surplus income
	Product fee	1.50%						
	Reversion rate	4.58% (AMR + 0.00%)	5.08% (AMR + 0.50%)	5.33% (AMR + 0.75%)				
	Initial rate	3.48%		3.98%	5.50%	5.98%		
	Product fee	£1,999						
	Reversion rate	4.58% (AMR + 0.00%)	5.08% (AMR + 0.50%)	5.33% (AMR + 0.75%)				
5 year fixed	Initial rate	3.48%		3.98%	3.58%	3.98%	Higher of (i) pay rate or (ii) reversion rate plus 0.75%	125% or 110% including use of surplus income
	Product fee	1.50%						
	Reversion rate	2.83% (AMR -1.75%)		3.23% (AMR -1.35%)				
	Initial rate	3.58%		4.08%	3.58%	4.08%		
	Product fee	£1,999						
	Reversion rate	2.83% (AMR -1.75%)		3.23% (AMR -1.35%)				
	Initial rate	3.78%		4.28%	3.78%	4.28%		
	Product fee	£0						
	Reversion rate	2.83% (AMR -1.75%)		3.23% (AMR -1.35%)				

Incentives	
Purchase products	None - Legal, valuation and funds transfer fees will apply
Remortgage products	Assisted legal fees, free valuation and no funds transfer fee
Conveyancing	Please note for all applications via the commercial portal, Aldermore will instruct their own Conveyancer, please refer to the legal fee scale document

Aldermore Managed Rate (AMR) [^]	4.58%
Procuration fee	0.50%

[^]The AMR is a variable rate set by Aldermore.

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Buy to let for HMOs and multi unit freeholds

Individuals and Companies – up to 6 bedrooms for HMO and up to 6 units for multi unit freeholds

Purpose		Purchase and Remortgage					
Maximum portfolio size		Up to £5m	Affordability calculation rate				
Maximum loan size		£1m					
Maximum LTV		75%	75%	Pay or reversion rate	Minimum interest cover ratio		
				Applicant type	HMO	Multi unit freehold	
2 year fixed	Initial rate	3.88%	5.88%	Higher of (i) pay rate + 2% or (ii) 5.5%	Companies or Individuals (basic rate tax payer)	155% or 140% including use of surplus income	125% or 110% including use of surplus income
	Product fee	1.50%					
	Reversion rate	5.08% (AMR + 0.50%)					
	Initial rate	3.98%	5.98%		Individuals (higher or additional rate tax payer)	185% or 160% including use of surplus income	145% or 120% including use of surplus income
	Product fee	£1,999					
	Reversion rate	5.08% (AMR + 0.50%)					
5 year fixed	Initial rate	3.98%	3.98%	Higher of (i) pay rate or (ii) reversion rate plus 0.75%	Companies or Individuals (basic rate tax payer)	155% or 140% including use of surplus income	125% or 110% including use of surplus income
	Product fee	1.50%					
	Reversion rate	3.23% (AMR -1.35%)					
	Initial rate	4.08%	4.08%		Individuals (higher or additional rate tax payer)	185% or 160% including use of surplus income	145% or 120% including use of surplus income
	Product fee	£1,999					
	Reversion rate	3.23% (AMR -1.35%)					
	Initial rate	4.28%	4.28%		Individuals (higher or additional rate tax payer)	185% or 160% including use of surplus income	145% or 120% including use of surplus income
	Product fee	£0					
	Reversion rate	3.23% (AMR -1.35%)					

Aldermore Managed Rate (AMR)^	4.58%
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Procuration fee	0.50%
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^The AMR is a variable rate set by Aldermore.

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Buy to let multi property range

Submitting multi property buy to let portfolios on one application is ideal for landlords who want the convenience of managing their portfolio on one mortgage account:

- One application for up to 30 properties can be keyed online via the Commercial Portal*
- One review date on product rate maturity
- One affordability stress test across the portfolio
- One monthly payment and Direct Debit collection
- One account number and annual statement

*Please contact your relationship manager for guidance on how to submit additional applications for more than 16 properties

Things to consider

- All property completion dates need to be aligned for the same day
- Applications must be submitted via the Commercial portal.
- Properties can be released from the portfolio subject to any applicable early repayment charges, although the portfolio will require re-weighting to ensure the original loan to value, interest cover ratio, and any loan covenants continue to be met (please note properties cannot be added or substituted following completion)
- Multi property applications must comprise of two or more properties of the same type

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Buy to let multi property

Individuals and companies with single residential investment properties

Available to new or existing customers submitting two or more properties at the same time on one application in the commercial portal

Purpose		Purchase and Remortgage							
Maximum portfolio size		Up to £5m		Affordability calculation rate					
Maximum LTV		70%	75%	70%	75%	Pay or reversion rate	Applicant type	Minimum interest cover ratio	
2 year fixed	Initial rate	3.18%		5.50%	Higher of (i) pay rate + 2% or (ii) 5.5%	Companies or Individuals (basic rate tax payer)	125% or 110% including use of surplus income		
	Product fee	1.50%					Individuals (higher or additional rate tax payer)	145% or 120% including use of surplus income	
	Reversion rate	4.58% (AMR + 0.00%)	5.08% (AMR + 0.50%)						
5 year fixed	Initial rate	3.28%		3.58%	Higher of (i) pay rate or (ii) reversion rate plus 0.75%	Companies or Individuals (basic rate tax payer)	125% or 110% including use of surplus income		
	Product fee	1.50%					Individuals (higher or additional rate tax payer)	145% or 120% including use of surplus income	
	Reversion rate	2.83% (AMR -1.75%)							
	Initial rate	3.58%		3.58%					
	Product fee	£0							
	Reversion rate	2.83% (AMR -1.75%)							

Incentives	
Purchase products	None – Legal, valuation and funds transfer fees will apply
Remortgage products	Assisted legal fees, free valuation and no funds transfer fee
Conveyancing	Please note for all applications via the commercial portal, Aldermore will instruct their own Conveyancer, please refer to the legal fee scale document

Aldermore Managed Rate (AMR) [^]	4.58%
Procurement fee	0.50%

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Buy to let multi property

Individuals and Companies – up to 6 bedrooms for HMO and up to 6 units for multi unit freeholds

Available to new or existing customers submitting two or more properties at the same time on one application in the commercial portal

Purpose		Purchase and Remortgage					
Maximum portfolio size		Up to £5m	Affordability calculation rate				
Maximum LTV		75%	75%	Pay or reversion rate	Minimum interest cover ratio		
					Applicant type	HMO	Multi unit freehold
2 year fixed	Initial rate	3.68%	5.68%	Higher of (i) pay rate + 2% or (ii) 5.5%	Companies or Individuals (basic rate tax payer)	155% or 140% including use of surplus income	125% or 110% including use of surplus income
	Product fee	1.50%					
	Reversion rate	5.08% (AMR + 0.50%)			Individuals (higher or additional rate tax payer)	185% or 160% including use of surplus income	145% or 120% including use of surplus income
5 year fixed	Initial rate	3.78%	3.98%	Higher of (i) pay rate or (ii) reversion rate plus 0.75%	Companies or Individuals (basic rate tax payer)	155% or 140% including use of surplus income	125% or 110% including use of surplus income
	Product fee	1.50%					
	Reversion rate	3.23% (AMR -1.35%)					
	Initial rate	4.08%	4.08%		Individuals (higher or additional rate tax payer)	185% or 160% including use of surplus income	145% or 120% including use of surplus income
	Product fee	£0					
	Reversion rate	3.23% (AMR -1.35%)					

Aldermore Managed Rate (AMR)^	4.58%
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Procuration fee	0.50%
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Key lending criteria

Submission route	Residential Portal	Commercial Portal	
Applicant type	Up to 2 individuals	Up to 6 individuals Sole Traders and General Partnerships* Private Limited Company (LTD) and Limited Liability Partnerships (LLP)* <small>*Registered and/or based in the United Kingdom, the Isle of Man or the Channel Islands</small>	
Property type	Single residential investment properties	Single residential investment properties	HMOs (up to 6 bedrooms) Multi Unit Freeholds (up to 6 units)
Minimum term	6 years		
Maximum term	40 years		
Minimum age	21 years (for existing landlords) and 25 years for first time landlords		
Maximum age	85 years (at end of mortgage term) for individual landlords <small>For Limited Companies, Limited Liability Partnerships and established professional partnerships at least one of the directors/partners must meet the minimum age requirements and there should be clear evidence of appropriate experience for the principal's capability of running the business as a going concern</small>		
Capital repayment and interest only	Available to product maximum LTV		
Portfolio size (with Aldermore)	Portfolios with total borrowing up to £5m		
Portfolio size (with other lenders)	No background portfolio limits		
Property location	England (including the Isle of Wight), Wales (including Anglesey) and mainland Scotland		
Adding fees	<ul style="list-style-type: none"> Product and funds transfer fees can be added to the loan Where fees are added they will be excluded from the LTV calculation but will be included in the affordability assessment Fees added to the loan will attract interest over the mortgage term 		
Conveyancing	<ul style="list-style-type: none"> A conveyancer will be required to complete the necessary legal work for both purchase and remortgage transactions Aldermore currently offers assisted legal fees on buy to let remortgages for single residential investment properties up to £2m Please refer to our Legal Fee Scale documents for full details of conveyancing options and fees prior to submitting an application 		

Read our full buy to let lending criteria [here](#)

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Valuation fees and early repayment charges

Valuation fee scale

Property value	Buy to let single residential investment properties, HMOs and multi unit freeholds
Up to £100,000	£370.00
£100,001 – £200,000	£415.00
£200,001– £300,000	£525.00
£300,001 – £400,000	£625.00
£400,001 – £500,000	£695.00
£500,001 – £600,000	£740.00
£600,001 – £700,000	£810.00
£700,001 – £800,000	£890.00
£800,001 – £900,000	£960.00
£900,001 – £1,000,000	£1,005.00
£1,000,001 – plus	Available on request

Additional fees	
Re-inspection	£90.00
Single investment valuation	Where Aldermore will be lending to the applicant(s) on 6 flats in a block, 6 or more properties in a street or postcode (and the applicant(s) have over 40% exposure), it will be necessary to obtain a RICS Red Book Report which includes a single investment valuation. We will base our lending on the lower of the market valuation or the single investment valuation.

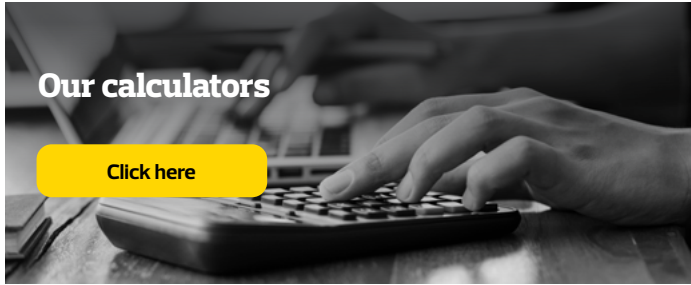
Valuation fees cover the cost of a standard mortgage valuation and include VAT. Where a more detailed report is required (such as a Homebuyers Report or structural survey), the valuer will collect the additional fee direct from the applicant. The valuation fee is not refundable once the valuation has been carried out. The valuation report will be for the benefit of Aldermore, although a copy will be provided with the mortgage offer. Aldermore will enter into commercial agreements for the provision of valuation reports, where the fee payable by Aldermore to the valuer will be lower than the applicant fee quoted above.

Early repayment charges

Product	Year 1	Year 2	Year 3	Year 4	Year 5
2 year fixed	2.50%	2.00%			
5 year fixed	4.50%	4.00%	3.50%	3.00%	2.50%

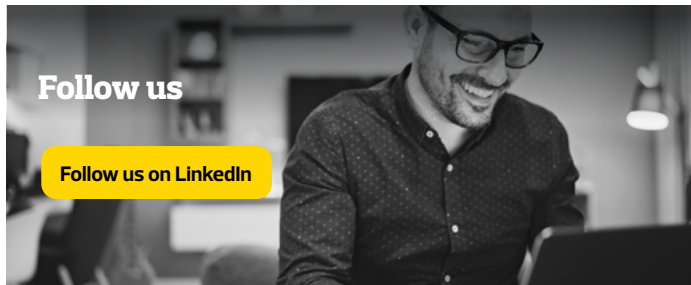
Overpayments of up to 10% of the outstanding mortgage balance can be made each year without incurring an early repayment charge.

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Existing business submitted through our residential portal
mortgage.newbusiness@aldermore.co.uk

Existing buy to let business submitted through our commercial portal
buytolet@aldermore.co.uk

New business enquiry
mortgage.sales@aldermore.co.uk

Product switch
product.switch@aldermore.co.uk



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