

Kensington

Intelligent lending for intermediaries

Buy to let

Issued 22/09/11



Broker procurement fee 0.40%

Case to discuss?

Call our Business Development Unit on **0800 111 020**

Apply now at **kmc.co.uk**

Buy to let 22nd September 2011

FOR PROFESSIONAL
INTERMEDIARY USE ONLY

Current LIBOR rate is 0.90% with effect from 15 August 2011

LTV	Rate Type/Term	Rate	Fee	Reversion	Payment
80%	Fixed until 30/11/13	5.69%	2.50%	LIBOR plus 4.80%	Capital & Interest or Interest Only
	Fixed until 30/11/13	5.99%	£1,499		
75%	Fixed until 30/11/13	5.24%	2.50%	LIBOR plus 4.60%	Capital & Interest or Interest Only
	Fixed until 30/11/14	5.74%	2.50%		
	Fixed until 30/11/13	5.74%	£1,499		
	Fixed until 30/11/14	6.24%	£1,499		
70%	Fixed until 30/11/13	4.79%	2.50%	LIBOR plus 4.10%	Capital & Interest or Interest Only
	Fixed until 30/11/14	5.29%	2.50%		
	Fixed until 30/11/13	5.24%	£1,499		
	Fixed until 30/11/14	5.74%	£1,499		

CCJ	None registered in last 24 months	Defaults	None registered in last 24 months	Secured	None registered in last 24 months	Unsecured	Max Credit Report Status of 2 in 12 months. Must be up to date
-----	-----------------------------------	----------	-----------------------------------	---------	-----------------------------------	-----------	--

Portfolio information	<p>No overall maximum portfolio size</p> <p>Maximum portfolio with Kensington of 6 properties or £2 million (whichever is lower)</p> <p>Where a landlord has 4 or more properties with Kensington, a maximum LTV of 75% will be applicable on properties 4 and above.</p>
-----------------------	---

Phone **0800 111 020** or go to **kmc.co.uk** for more information



Criteria

Purpose	Purchase and Remortgage (must have been a homeowner for over 12 months)
Employment Status	Employed/Self-employed
Region	England and Wales only
Minimum Age (at application)	25 years
Maximum Age (at end of term)	75 years
Minimum Term	6 years
Maximum Term	30 years
Minimum Valuation	£90,000 (£120,000 for New Build Flats)
Minimum Loan Amount	£25,001
Maximum Loan Amount	£350,000
ERCs	5% during the fixed rate period.
Minimum Income	Applicant one must have an income in excess of £25,000. If a landlord has successfully maintained mortgages on 4 or more buy to let properties for the past 12 months, there is no minimum income or requirement to show bank statements.
Maximum LTV	80% (65% for new build, including flats)
Income (purchase)	Gross rental income must be 120% of the Pay Rate. Rental income will be confirmed by RICS valuer instructed by Kensington.
Additional Criteria	<p>Written confirmation of projected rental income from valuer</p> <p>A verified source of income other than the rental income from the property that meets our minimum income requirements.</p> <p>Must have been a UK resident (paying UK tax) for at least 3 years.</p> <p>The maximum concentration / Kensington's exposure level is 25% of a specific post code (25% for flats or 4 whichever is the lower). No more than 1 new build flat per development.</p> <p>3 months bank statements required, except where a landlord has successfully maintained mortgage on 4 or more buy to let properties for the past 12 months.</p> <p>Evidence of deposit and source.</p>

Information about our Buy to let mortgages

At Kensington, we want to make it easy for you to select the right mortgage for your client's circumstances and we have worked hard on making our criteria clear and simple to understand. Please use the information below to help you find out more about our mortgages and how you can ensure an application is processed quickly and efficiently.

If you do have any questions, please call us on 0800 111 020.

Maximum Applicants	Maximum of 4 Applicants per application.
Loan Purpose	Most loan purposes, including capital raising. Purpose must be stated & evidence may be required.
Fee	Fees can be added to the loan without affecting LTV calculations.
Rate Shock	As a responsible lender, Kensington must be satisfied that the landlord (our customer) is able to withstand increases in mortgage interest rates, void periods etc and be able to afford the mortgage now and after any fixed rate/discounted period expires. As a consequence and to validate the customer's ability to repay, we may request evidence of savings/assets etc the customer may have which could be used as a buffer to support an increased mortgage payment. Factors that cause us to believe that the customer cannot meet an affordability assessment in a higher interest rate environment may result in the application being declined.
Repayment Method	Capital and Interest, Interest Only or Part and Part acceptable. When all or part of the loan is on an interest only basis, the method and full details of repaying the capital must be declared and acceptable to Kensington. Evidence of the repayment vehicle may be required.
Lending into Retirement	The maximum age at end of term is 75. Lending past state retirement age or selected retirement age will be allowed provided it is clear the buy to let portfolio is fully self funding without additional support being required from the borrower
Deposit Monies	Source and evidence of deposit is required on all applicable cases. We may request evidence of accrual of funds. Maximum builders deposit accepted is 5%.
Applicant Exclusions	Remortgages within 12 months of a purchase or previous remortgage are not acceptable. Applicant exclusions apply for Disqualified Company Directors, back to back sales within 6 months of application (within 6 - 12 months please refer to Kensington for consideration), foreign nationals with less than 12 months bank records available, those with bankruptcies (including discharged) and Individual Voluntary Arrangements, those who have been subject to a repossession within last 3 years and those with criminal convictions, sale and rent back transactions.
Solicitors	The firm of solicitors acting for Kensington must be registered with The Law Society and have a minimum of 4 partners. Applicants are free to choose a firm of solicitors to act on their behalf that does not meet this requirement, but the firm cannot also represent Kensington. In these circumstances, Kensington will appoint its own solicitor. Applicants will be responsible for the payment of both their own legal fees and the legal fees of Kensington's solicitor.
Higher Lending Charge	There is no Higher Lending Charge payable on any of our products.
Portable	Our products are not portable.
Property	<p>Loans will not be considered on: Shared ownership properties, Right to buy within pre-emption, Freehold flats and maisonettes, Ex local authority flats and maisonettes, Flats above commercial property, Most properties of concrete construction*, Properties deemed defective under the Housing Defects Act 1984 and Housing Act 1985, Properties containing mastic block materials, Properties with agricultural restrictions, High rise flats over 4 storeys, Studio flats, Leasehold properties with less than 35 years at end of the mortgage term and properties where Borrower or Borrower owned business owns more than 25% of the freehold on a leasehold property, properties not let on AST agreement, Properties let or intended to be let via the DSS, multi-unit securities, houses with multiple occupiers (HMO's) and properties let to family members. *Wimpey No Fines and Laing Easiform houses (not flats) are acceptable, Laing Easiform houses must be dated 1945 onwards. Maximum 80% LTV.</p> <p>Please note we will accept New build flats. No more than one new build flat per development or closely associated development (Kensington exposure limit). No off plan new build developments. Agreement is subject to valuation and future marketability. New build flats must appeal to both residential purchasers as well as investors. New build flats freeholder/vendor should have no association with the purchaser.</p> <p>Kensington will review its existing portfolio and may decline applications where its overall concentration of lending in a specific postcode exceeds 25%. This applies to blocks of flats with the addition that no more than a total of 4 in any one block.</p>

Valuations	For LTV purposes, the lower of the purchase price or the valuation is used in all cases (no concessions on family sales or Sitting Tenant purchases). All applications require a minimum deposit/personal stake of at least 5% of the lower of purchase price or valuation.					
Property Value	For property value up to £250,000	=	£300	£1 million to £1.5 million	=	£995
	£250,001 to £500,000	=	£450	£1.5 million to £2 million	=	£1095
	£500,001 to £750,000	=	£600	£2 million and over	=	by arrangement
	£750,001 to £1 million	=	£750			
	Valuation fee is inclusive of VAT and a non-refundable administration charge of £100. Full fee must be provided with the application. If payment card details are given, the fee will be deducted on receipt.					
	We reserve the right to carry out audit valuations at our own expense - please note we will work on the lower of the two valuation/rental figures.					
Income and Referencing Affordability	Income is classed as 100% of net profit figure or basic salary and up to 100% of all bonuses, overtime, dividends shares of profits, guaranteed salary allowances (ie. Car allowance, regional weighting, housing allowance, mortgage subsidy, shift allowance), private pensions, investment income and other declarable income for tax purposes. Please note variable income will only be acceptable if regular, sustainable and evidenced.					
Status	Proof of ID and full details of BTL portfolio will be required. 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. Otherwise a mortgage reference may be requested.					
	Applicants must currently be a home owner with a minimum 12 months mortgage history. Must have been a UK resident (paying UK tax for at least 3 years).					
	Employed applicants must have been in their current job for a minimum of 3 months and must not be on probation. In addition the last 12 month employment history is required if employed.					
	Applicants who are sole traders or those holding not less than 25% of a company's share will be treated as self employed. If self employed, ideally a 3 year net profit history is required but a minimum of 1 year's trading history is acceptable.					
	Income will be verified by reference to Bank Statements, if insufficient information is available further clarification may be required.					
Additional Note	Existing BTLs mortgaged with Kensington will count towards the portfolio limit on either product.					
	Where a landlord has 4 or more properties with Kensington, a maximum LTV of 75% will be applicable on properties 4 and above.					

Kensington Business Development Managers

1. South West and South Wales

Mike Tottle
mike.tottle@investec.co.uk
(07880 506514)

2. North East London and East of England

Steve Griffiths
steve.griffiths@investec.co.uk
(07920 495789)

3. Central London and South East

Emma Kelman
emma.kelman@investec.co.uk
(07771 725307)

4. West London and South Coast

Adam Connolly
adam.connolly@investec.co.uk
(07909 926553)

5. North East

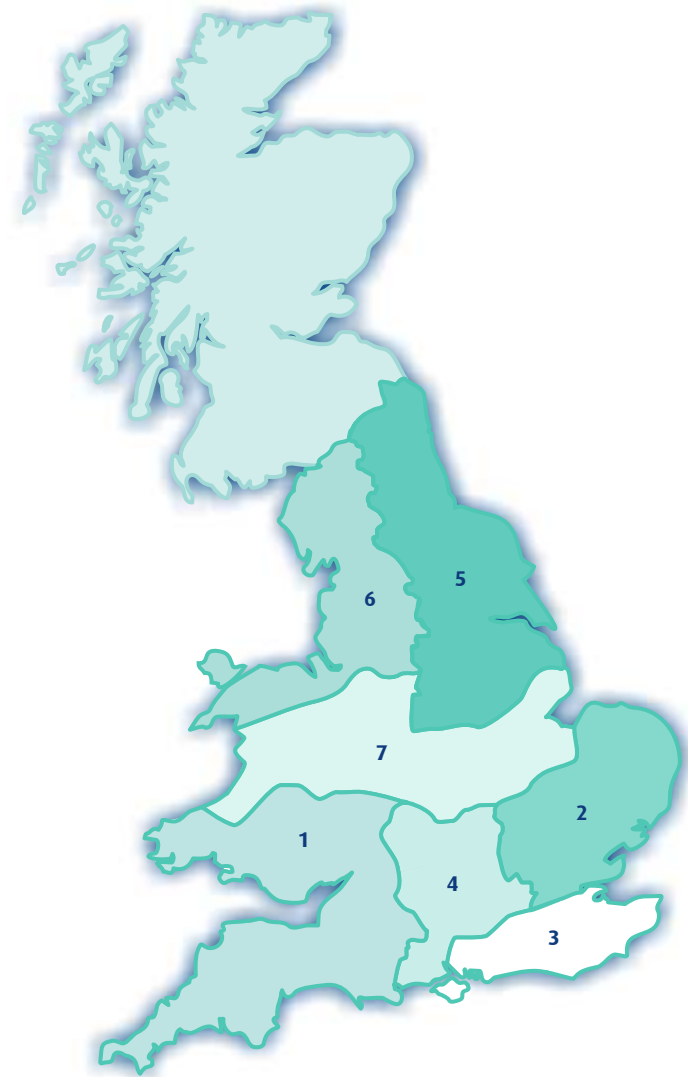
Jane Trigg
jane.trigg@investec.co.uk
(07909 926559)

6. North West and North Wales

Karen Ball
karen.ball@investec.co.uk
(07788 144829)

7. Midlands

Jane Atkins
jane.atkins@investec.co.uk
(07557 284691)



Phone **0800 111 020** or go to **kmc.co.uk** for more information