

Lending for portfolio landlords

A portfolio landlord has four or more mortgaged rental properties, including the new application. And the total number of mortgaged BTL properties should include those held by all parties on the application.

In line with the regulations, portfolio landlords will be assessed against additional criteria and your clients will need to provide some extra documentation.

We're using eTech's BTL Hub, so you can quickly provide us with details of your client's portfolio.

Criteria for portfolio landlords

- We'll accept up to 75% LTV on the property to be mortgaged.
- And up to five BTL mortgages with Virgin Money, or £3m.
- At least 24 months' experience of letting properties is required at the time of application.
- Personal income can't be considered for any property rental shortfalls.
- We accept up to 10 mortgaged BTL properties across all lenders, including the new application.
- In total, the portfolio must not exceed 70% LTV, with a minimum interest cover ratio of 145%, at an interest stress rate of 5%. If your client owns any mortgage-free properties, the equity and rental income on these will be taken into account. This excludes the new application.
- Up to five properties either mortgaged or mortgage-free and including the new application, can be within the same postcode area e.g. NE3, EH2.
- We will accept up to two BTL properties either mortgaged or mortgage-free purchased in the last 12 months, including the new application.

Affordability and rental tests

- > We'll ask for evidence of a minimum personal combined gross income of £25,000. This excludes income received from BTL properties. We'll accept non-GBP/£Sterling income as part of this.
- > The rental income must cover 145% of the mortgage interest. This will be calculated in one of the following ways:
 - All products will be calculated at a notional rate of 5.50%, except five-year fixed rate products.
 - Five-year fixed rate products will be calculated at 5.00%.
- > The rental income for a BTL remortgage with no additional borrowing must cover the mortgage payment by 125%, calculated at a notional interest rate of 5.50% across all products.
- > Personal income won't be considered to meet any rental shortfalls for portfolio BTL.

Additional documentation requirements

We need three new forms completed for each mortgage application:

1. Business plan
2. Cashflow
3. Property schedule. Your clients can use their own spreadsheet but please make sure the column headings appear in the same order as our template.

The property schedule must be submitted through our BTL Hub. Please visit virginmoneyforintermediaries.com to access the BTL Hub. The business plan and cashflow need to be sent to us along with all other supporting documentation.

BTL Hub

Virgin Money is working with eTech to give our intermediary partners access to our BTL Hub, making it quick and easy to submit details of your clients' property portfolio to Virgin Money.

Please note:

- You shouldn't include details of the property they're applying for within the property schedule.
- You should include details of properties held in your client's personal name, limited company or any other legal entity.

Before you can use the BTL Hub, you'll need to register at <https://btlhub.net/register/broker>

Once your broker firm is registered with BTL Hub you'll need to link to Virgin Money. This can be done via the 'lenders' section on the dashboard.

Straight balance swap remortgages and product transfers

If your client wants to secure a new deal for an existing property without taking any additional borrowing, you need to know the following:

- We won't need a business plan, cashflow or details of the property portfolio for product transfers and remortgages with no additional borrowing.

The additional policy requirements for portfolio landlords won't apply. Please visit our website for full details of portfolio landlord criteria.

Why recommend Virgin Money?

- > Dedicated service teams and BDMs on hand to answer any questions.
- > Access to VMO, giving you a quick and easy way to create Mortgage Illustrations and submit applications with us.
- > Offers to your customers within 10 working days of receiving a fully-packaged application, or we will give them £100.*
- > Discounts from across the Virgin Group for you – and your clients too, when they become a Virgin Money customer.

Ready to get started?

For full details of our BTL mortgage deals, please view our Mortgage Update or contact your BDM.

Please contact the eTech Service Desk on 0333 1231417** for any queries about the BTL Hub. They are available 8am – 8pm Monday to Saturday. And 9am to 1pm on Sunday.

*Terms apply. Visit virginmoneyforintermediaries.com

**Calls to 03 numbers cost the same as calls to 01 or 02 numbers and they are included in inclusive minutes and discount schemes in the same way. Calls may be monitored and recorded.

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