



# Intermediary toolkit - holiday let mortgages

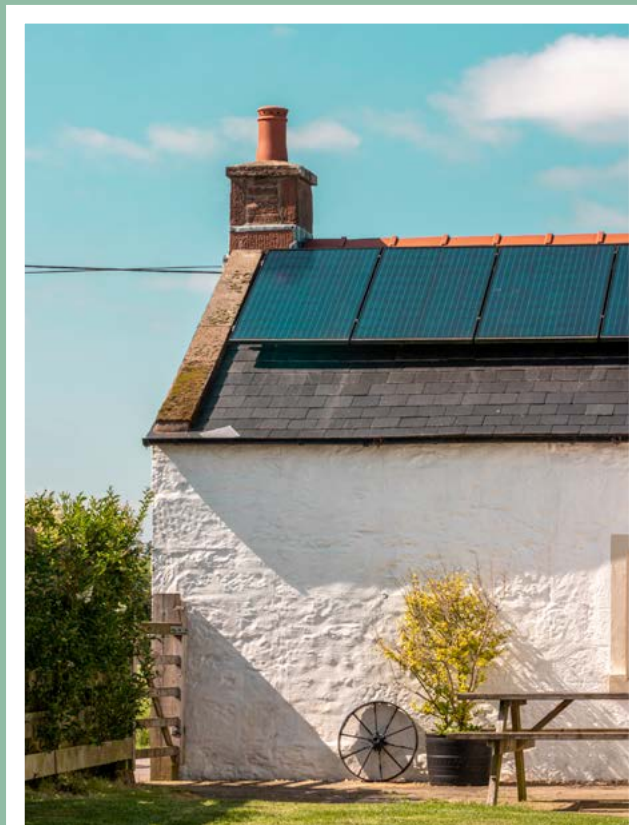
In this pack, you'll find the latest details  
of our holiday let product range,  
lending criteria and proc fees.

CAERLAVEROCK HOLIDAY COTTAGES

If you have any questions, you can get in touch with  
a member of our specialist team on 01228 403135

  
**The Cumberland**  
For Intermediaries

# UPDATE



We're pleased to announce we have made some positive changes to our holiday let product range.

We have introduced a 60% LTV tier, reduced our existing 75% LTV 2-year variable and 5-year fixed rates and combined our £75k-£750k and £750k-£2m pricing tiers to offer one product for loan sizes £75k-£2m.

We are now also accepting expat lending from selected countries.

We hope these changes will be of great value to you and your clients.

Read on for more details.

## 2 YEAR PRODUCT RANGE (STANDARD)

PROC FEE 0.40%

We offer standard and non-standard mortgage products to suit your different clients' circumstances. [View our lending criteria on p7 to find out which product type applies.](#)

PRODUCT	MIN/MAX LOAN SIZE	RATE & FEE - UP TO 60% LTV	RATE & FEE - UP TO 60-75% LTV	OVERPAYMENTS	END DATE	ERC TERMS
2-YEAR VARIABLE	Minimum Loan £75k Maximum Loan £2m	2.99% + £999	3.39% + £999	10% pa	2 years from completion	1%/0.5% of amount repaid
2-YEAR FIXED	Minimum Loan £75k Maximum Loan £2m	3.44% + £999	3.84% + £999	10% pa	01/04/2024	2%/1% of amount repaid

\*As at 13/12/2021. The above products apply to holiday let mortgages only. For queries, check with your Cumberland Lending Manager.

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## 2 YEAR PRODUCT RANGE (NON-STANDARD)

PROC FEE 0.40%

We offer standard and non-standard mortgage products to suit your different clients' circumstances. [View our lending criteria on p7 to find out which product type applies.](#)

PRODUCT	MIN/MAX LOAN SIZE	RATE & FEE - UP TO 60% LTV	RATE & FEE - UP TO 60-75% LTV	OVERPAYMENTS	END DATE	ERC TERMS
2-YEAR VARIABLE	Minimum Loan £75k Maximum Loan £2m	3.84% - 1.00%	4.24% - 1.00%	10% pa	2 years from completion	1%/0.5% of amount repaid
2-YEAR FIXED	Minimum Loan £75k Maximum Loan £2m	4.29% - 1.00%	4.69% + 1.00%	10% pa	01/04/2024	2%/1% of amount repaid

\*As at 13/12/2021. The above products apply to holiday let mortgages only. For queries, check with your Cumberland Lending Manager.

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## 5 YEAR PRODUCT RANGE (STANDARD)

PROC FEE 0.40%

We offer standard and non-standard mortgage products to suit your different clients' circumstances. [View our lending criteria on p7 to find out which product type applies.](#)

PRODUCT	MIN/MAX LOAN SIZE	RATE & FEE - UP TO 60% LTV	RATE & FEE - UP TO 60-75% LTV	OVERPAYMENTS	END DATE	ERC TERMS
5-YEAR FIXED	Minimum Loan £75k Maximum Loan £2m	3.59% + £999	3.99% + £999	10% pa	01/04/2027	5%/ 4%/ 3%/ 2%/ 1% of amount repaid

\*As at 13/12/2021. The above products apply to holiday let mortgages only. For queries, check with your Cumberland Lending Manager.

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## 5 YEAR PRODUCT RANGE (NON-STANDARD)

PROC FEE 0.40%

We offer standard and non-standard mortgage products to suit your different clients' circumstances. [View our lending criteria on p7 to find out which product type applies.](#)

PRODUCT	MIN/MAX LOAN SIZE	RATE & FEE - UP TO 60% LTV	RATE & FEE - UP TO 60-75% LTV	OVERPAYMENTS	END DATE	ERC TERMS
5-YEAR FIXED	Minimum Loan £75k Maximum Loan £2m	4.44% + 1.00%	4.84% + 1.00%	10% pa	01/04/2027	5%/ 4%/ 3%/ 2%/ 1% of amount repaid

\*As at 13/12/2021. The above products apply to holiday let mortgages only. For queries, check with your Cumberland Lending Manager.

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# WHICH PRODUCT TYPE DOES YOUR CLIENT QUALIFY FOR?

To qualify for standard products a case must meet ALL criteria, otherwise non-standard products apply.

CRITERIA	STANDARD PRODUCTS	NON-STANDARD PRODUCTS
1. Annual income above £20,000*	✓	✓
2. Annual Income below £20,000*	-	✓
3. Applicant is an individual or partnership	✓	✓
4. Applicant is a Company, an LLP or a Trust (SPV)*	✓	-
5. Applicant is a Company, an LLP or a Trust (Existing Trading Company)*	-	✓
6. Loan amount above £75,000*	✓	✓
7. Applicant is UK resident*	-	-
8. No occupancy restrictions apply	✓	✓
9. Occupancy restrictions apply	-	✓
10. Proposed holiday letting is based upon proven letting figures or projected figures*	✓	✓
11. Top slicing of background income required to meet shortfall at stressed rate (or pay rate if 5-year fixed)	-	✓
12. Portfolio landlords and non-portfolio landlords	✓	✓
13. Some or all of the funds requested are to be used to raise capital for the improvement/ refurbishment of the property or to replenish funds used for those purposes	✓	✓
14. Some or all of the funds are to be used to purchase or renovate another property	✓	✓
15. Some or all of the funds requested are to raise capital for injection into another business venture (including but not exclusively property development)	-	✓
16. Funds to be used to consolidate debt of £25k or more	-	✓
17. Applicant owns a residential property	✓	✓
18. Applicant does not own a residential property	-	✓
19. The HMLR title includes just a single letting unit	✓	✓
20. The HMLR title includes up to 3 letting units	-	✓

\*See overleaf

# KEY LENDING CRITERIA

## \*Relating to the numbered criteria only

1,2. Background income can be used to top slice where the stress rate hurdle is not met (see below for stress criteria details) and the borrower must demonstrate the ability to service the debt from background income or other sources

4,5. Companies must be incorporated in the UK. Standard pricing available for simple SPV company structure

6. Maximum exposure on standard products £2m  
Maximum aggregate exposure £5m

7. Borrowers must be a resident in the UK, or a British expat

10. Viability calculation based on annual rental income of property after 20% deducted for letting agent fees; Loans must meet a stress hurdle of 125% interest cover at an interest rate of 5.6% where the product rate is variable; 5 yr fixed stressed at 125% at pay rate; HL income must be confirmed in writing by a reputable letting agent or from actual trading figures from current property owners.

## In all cases, the following criteria apply:

- Maximum LTV 75% of the lower of purchase price or market valuation (including the value of any property provided as collateral security)
- Minimum property value £100k
- Minimum further loan amount £25k (£75k to qualify for products, otherwise Commercial Variable Base Rate)
- Maximum Term 25 years on capital and interest or interest only basis
- Interest only must have plausible repayment strategy
- A face to face/video interview must be undertaken by the Society when loan exposure exceeds £750k
- Property should be available for letting for a minimum of 210 days p.a. and actually let for 105 days (HMRC rules) so it is acceptable for owners to use it outside these periods
- Clean credit history required
- Freehold or leasehold properties with a minimum unexpired term of 85 years at the outset & 50 years at maturity
- Property should be standard/traditional construction (non-traditional can be considered; please call us)
- No lending on property which is a temporary or moveable structure
- Lending on flats is restricted to blocks no more than 6 storeys high with no cladding risk. We will only consider lending on flats in higher buildings where they are in a prime site / location. We will lend on leasehold flats only (not freehold).
- Lending on holiday parks will be considered subject to construction type and property being immovable
- Any lease conditions must not be breached by holiday letting (e.g. that the property must be used as a private residence)



# APPLICATION CHECKLIST

ITEM REQUIRED	DETAIL
APPLICATION FORM	Scanned copy, completed and signed by borrowers.
BANK STATEMENTS	1 month for any current accounts held, 1 month for any business account.
ACCESSIBLE CASH SAVINGS	A minimum of 6 months mortgage payments in cash savings held after the mortgage has completed should be evidenced.
PROOF OF PROPERTY INCOME	Existing holiday let: Either existing trading figures in the form of certified accounts, a letter from the holiday letting agent confirming gross annual income for last 2 years, or SA100 tax document.  New holiday let: A projection from a suitably experienced holiday letting agent which confirms the property name, proposed weekly pricing, estimated weeks occupancy and projected gross annual income.
PROOF OF EMPLOYED INCOME OR PENSION INCOME (IF RELEVANT)	Most recent 2 wage slips.  If employed less than 12 months, most recent 2 wage slips and contract of employment is required. For private pensions, please provide a statement to show pension value.
PROOF OF SELF EMPLOYED INCOME (IF RELEVANT)	1) Last 2 years tax returns (SA100 or SA302) and, 2) Last 2 years certified accounts for any limited company that the applicant is a director of.
PORTFOLIO LANDLORDS (IF RELEVANT)	Schedule of all properties owned including property address, estimated value, mortgage outstanding, mortgage payment, annual rental income, in addition to SA100 tax documents for past 2 years.
PROOF OF DEPOSIT (IF FOR A PURCHASE OR PROPERTY RECENTLY PURCHASED)	A bank statement to evidence funds plus any of the following to confirm source of funds: 1) If from property sale – completion statement 2) Sale of shares – execution statement 3) Pension withdrawal – confirmation of pension fund value and advice given showing tax payable  If from other source please confirm to the lending manager who will advise what information is required.

All items can be scanned and emailed to your Lending Manager, or [business@cumberland.co.uk](mailto:business@cumberland.co.uk)

## ANY QUESTIONS?

We're always open to questions and feedback.

If you'd like to chat through any of the information in this toolkit, or you think you have a case that's a good fit for our products, please give us a call on 01228 403135, or email [business@cumberland.co.uk](mailto:business@cumberland.co.uk)