

# HOLIDAY LET CRITERIA GUIDE

FOR INTERMEDIARY USE ONLY  
EFFECTIVE JUNE 2024

  
The Cumberland  
For Intermediaries

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## HOW WE CAN HELP

Our Relationship Managers are experts in the specialist markets we service and cover England, Scotland and Wales.

Click [here](#) to find the Relationship Manager who covers the postcode of the property.

# 1. APPLICANTS

We lend to individual applicants and limited company SPV

- Minimum borrowing age 18
- Maximum borrowing age 85 at term of maturity
- Maximum 4 joint applicants

Applications from tenants acceptable where they:

- reside in tied accommodation
- live with a partner who is a homeowner
- already hold a portfolio of properties.

Where there is history of an applicant being a homeowner previously, we will review on a case-by-case basis.

- The borrower or shareholder must resident in the UK (excludes BFPO)
- We do not lend to trusts in any form (Income, Deposit, Beneficiary)
- Maximum investment portfolio- 6 properties (HL/BTL)

Applicants with Impaired Credit History, defined as:

- Credit Reference Search shows that in the last 2 years they have been 3 months or more overdue on a mortgage or loan (secured or unsecured), unless due to a Bank or Third Party error; OR
- Credit Reference Search shows that in the last 3 years they have had 1 or more CCJs (settled or unsettled) with a total value of greater than £500; OR
- Has been subject to an IVA or Bankruptcy Order which was in force at any time within the last 3 years.

## 2. PROPERTY & LOAN

- Up to 75% Loan to Value (including fees)
- Minimum property value £150,000
- Maximum loan £2m (single loan)
- Maximum mortgage exposure up to £2m with Cumberland
- Property should be suitable for immediate let
- Leasehold properties with minimum 85 years unexpired lease at start of mortgage & minimum 50 years at end of term
- Flats – No more than 6 storeys high. Flats over commercial can be considered
- Flats (England & Wales) - leasehold flats only, not freehold. Minimum 85 years unexpired lease at start of mortgage term, 50 at end of term

## 3. AFFORDABILITY

- Minimum joint income £25,000
- Minimum joint income where Top slicing of background income required to meet shortfall at stressed rate is £50,000.

### Top slicing additional criteria

- Rental coverage meets at least 100% at the stressed rate.
- Applicants are not borrowing into retirement.
- Self employed applicants are able to provide 2 years account
- Employed applicants have at least a 12 month employment track record
- Capital raising to clear existing debts is not acceptable

## 4. RENTAL COVERAGE

- For products less than 5 years, annual Rental Income should be minimum of 145% of annual mortgage payment at stressed rate of 5.5%, or pay rate plus 2% if higher.
- For products for 5 years or more, annual Rental Income should be minimum of 145% of Annual Mortgage payment at stressed rate of 4.5%, or pay rate if higher.
- For customers who have existing Buy-to-Let / Holiday Let properties and fall under the specialist products for their new loan, the ICR of the existing portfolio should meet 145% ICR, stressed at our new borrowing product rate +1% or 4.5% whichever is the highest. This is not required where the application is on our core product range.

\*20% should be deducted from Annual Rental Income to account for letting agent fees

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[www.cumberland.co.uk/intermediaries](http://www.cumberland.co.uk/intermediaries)

Cumberland House, Cooper Way, Parkhouse, Carlisle, CA3 0JF

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