

# HOLIDAY LET CRITERIA GUIDE

FOR INTERMEDIARY USE ONLY  
EFFECTIVE MAY 2026

  
**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 sole traders, partnerships, Limited companies and LLPs

- Minimum borrowing age 18
- On the date the application is taken, the oldest applicants age at the end on the mortgage term cannot be later than their 86th birthday
- 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- 20 properties (Holiday Let, Buy To Let and Commercial properties)

## 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
- Change to minimum loan £75,000 and maximum loan £6m (single loan)
- Property should be suitable for immediate let
- Leasehold properties with minimum 85 years unexpired lease at start of mortgage.
- 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

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## 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.
- Foreign currency income or monetised investments held in a foreign currency cannot be used to support the affordability of the mortgage.

### 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

To meet our criteria for rental coverage, annual net rental income – the following scenarios (section 1 & 2) are for interest only applications, see section 3 for additional information in relation to repayment mortgages (capital and interest)-

## ➤ 1. For house purchase & remortgage with additional borrowing

For variable products or product rates fixed for a period of less than 5 years, the annual rental income should be a minimum of 145% for sole trader and partnerships and 125% for Limited company applications (after deduction of 20% from the gross rent for letting agent costs) of the annual mortgage interest calculated using the rate of 5.5% or product rate + 2%, whichever is the highest.

For product rates fixed for a period of 5 years or more, the annual rental income should be a minimum of 145% for sole trader and partnerships and 125% for Limited company applications (after deduction of 20% from the gross rent for letting agent costs) of the annual mortgage interest calculated using the product rate.

## ➤ 2. For remortgage with no additional borrowing (excluding arrangement fee if being add to the loan)

The annual rental income should be a minimum of 145% for sole trader and partnerships and 125% for Limited company applications (after deduction of 20% from the gross rent for letting agent costs) of the annual mortgage interest calculated using the product rate.

## ➤ 3. For loans on a repayment basis (capital and interest) for all categories of lending noted above

For the new lending affordability calculation, where a repayment mortgage is required, we will look to evidence Debt Coverage Ratio (DCR) at 125% coverage for sole trader and partnerships and 110% coverage for Limited company applications with a further check that it will meet Interest Coverage Ratio (ICR) as per the above guidance.

The application must meet both the Debt Coverage Ratio (DCR) & Interest Coverage Ratio (ICR) requirements, if it falls short on either then top slicing may be considered.

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

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