

HOLIDAY LET CRITERIA GUIDE

FOR INTERMEDIARY USE ONLY
EFFECTIVE OCTOBER 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.

Affordability calculations may vary where the property is grade listed, please contact us for more information.

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www.cumberland.co.uk/intermediaries

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