

The Loan			
Loan purpose	The purchase of a single Buy-To-Let (BTL) property requiring non-structural refurbishment by up to four individuals, or by a registered business incorporated for holding BTL properties (SPV) with up to four directors/partners		
Target borrower	<ul style="list-style-type: none"> Up to four individuals or SPV, looking to invest in a BTL property. Experienced landlords¹ only. Business applicants must be incorporated as a limited company Up to 12 BTL properties mortgaged to BlueZest. 		
Minimum loan	£50,000	Maximum single property loan	£2,000,000
Maximum number of properties mortgaged to BlueZest	Unlimited	Maximum lending with BlueZest	£3,000,000
Applicant type	UK Residents Individuals & Registered Businesses (Maximum of four applicants ²)	Shared portfolio considered?	Yes
Minimum Age	23	Maximum Age (at end of term)	80 at application 95 at loan maturity
Term Details	Deferred Payment Period	Fixed Rate Period	SVR Period
	4 months	2 years	Up to 28 years

Maximum Loan To Value Ratios		
Loan Value	Existing single unit property	HMO and MUP
<= £ 500,000	80%	70%
<= £ 1,000,000	70%	
> £ 1,000,000	60%	60%

If 4+ properties mortgaged to BlueZest, blended LTV <=75%. Portfolios over £2m limited to 75% LTV

Income Coverage Ratios Based on Projected Rent				
Maximum LTV	Existing Property		HMO and MUPS	
	Low rate tax	High rate tax	Low rate tax	High rate tax
Up to 80% LTV	145%	165%	Not Available	
Up to 75% LTV	125%	145%	145%	165%

ICR Test Criteria	<ul style="list-style-type: none"> Demonstrable surplus income will be considered where the ICR cannot be met by rental alone If rental Income from other BTL properties is used, the borrower will be treated as a portfolio landlord The greater of the 2-year fixed product rate plus 2%, the BlueZest reversion rate or 5.5% is used.
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Applicant Income
<p>The applicants must be able to demonstrate a minimum gross joint income of £25,000. In addition, the following apply for specific circumstances:</p> <ul style="list-style-type: none"> £50,000 for a portfolio landlord³ applying individually (ie not an SPV) £50,000 where the LTV exceeds 75% <p>Income may be a combination of earnings and pensions, including director's dividends and rental surplus from other properties</p>

¹ An experienced landlord is one who has owned a BTL for the previous 12 months

² Applicant is either property owner or director of SPV owning the property

³ A Portfolio Landlord is one that owns 4 or more properties at the end of the transaction

Applicable Interest Rates			
LTV	Deferred Payment Period (4 months)	Fixed Rate Period (months 5 – 28)	Standard Variable Rate Period (month 29 onward)
Up to 75%	8.49%	3.39%	BlueZest SVR currently 4.75% + 3M UK LIBOR
Up to 80%	9.49%	3.89%	
Up to 85%	Not Available	5.09%	

Fees		
	LTV <= 80%	LTV > 80%
Product Fee	1.50%	2.25%
Application Fee	£125	£125
Chaps Fee	£35 per transfer	£35 per transfer
Personal Guarantee	Director's Personal Guarantees are required of all directors in applications from SPVs companies	DPG Advice fee is payable to your chosen independent solicitor

Valuation Fees (inc VAT)		
Valuation Fee	BlueZest will always attempt an automated valuation for properties under £600,000 with less than 5 bedrooms	
Automated Valuation (AVM)	All values	£ Nil
If Physical Inspection Required	If an AVM is not suitable then a physical inspection will be required.	
	Up to £200,000	£220.00
	Up to £300,000	£250.00
	Up to £350,000	£275.00
	Up to £400,000	£280.00
	Up to £500,000	£350.00
	Up to £600,000	£490.00
	Up to £700,000	£600.00
	Up to £800,000	£700.00
	Up to £900,000	£775.00
	Up to £1m	£850.00
	Over £1m	Refer
Completion Valuation	A second valuation will be undertaken on completion of the work at the end of the refurbishment period	£100

Early Repayment Changes		
Early Repayment Charges	First 4 months	The first 4 months' interest must be paid in full
ERCs	Year 1 of fixed term	3%
	Year 2 of fixed term	2%
	After fixed term	No Fee

BlueZest Standard Criteria

Applicants	<ul style="list-style-type: none"> Maximum 4 Applicants or Directors All Applicants/Directors must reside as a tax resident in the UK, have done so for at least 3 years, and have indefinite leave to remain. Foreign nationals with diplomatic immunity will be declined All Applicants/Directors must have a traceable credit bureau record of 3 years or more All Applicants/Directors must have held an active UK bank current account for at least 3 years No Applicant/Director can have had any personal mortgage arrears in the last 12 months No Applicant/Director can have any unspent criminal convictions, other than for minor traffic offences Sole traders and non-limited partnerships are not accepted as SPV company applicants The Directors must own 75% of the shareholding in the business. Any SPV company owning a BTL property must have a SIC code for BTL or property development Retired applicants will be considered 	Credit History	<ul style="list-style-type: none"> Applicants/Directors must be creditworthy and have a good track record of servicing loans/credit agreements, as evidenced at a Credit Reference Agency. Additionally, Applicants/Directors must not be overcommitted on other secured and unsecured borrowings. <p>Mortgage applications will be declined if any Director or Applicant:</p> <ul style="list-style-type: none"> Has had any previous property repossessed Has had a personal County Court Judgment (CCJ) in the last 12 months Has a personal CCJ registered in the last 4 years over £250 Has been party to an Individual Voluntary Agreement, insolvency or Bankruptcy. Has a credit account that has been 3 payments in arrears in last 2 years Has missed any payment on any credit facility in the last 6 months or has been more than one month in arrears in the last 24 months Has missed a mortgage account payment in the last 12 months Has had any loan defaults >=£250 in the last 4 years Has had any "pay day" or "doorstep" loans in the last 6 months
Employment	<p>Employed applicants (PAYE/ permanent contract)</p> <ul style="list-style-type: none"> Applicants must have at least 12 months' continuous employment Applicants must have more than 3 months at their current employer and not be in a probationary period. <p>Contractors (PAYE / fixed term contract)</p> <ul style="list-style-type: none"> Applicants must be able to evidence at least 24 months' continuous employment OR have more than 12 months at their current employer and at least 6 months remaining on current contract <p>Self-employed applicants/ non-PAYE contractors</p> <ul style="list-style-type: none"> Applicants must have been trading in current business for at least 24 months (and be able to provide accounts/tax returns for this period) and not show any negative concerns 	Loan Purpose	<ul style="list-style-type: none"> Purchase or re-mortgage of Buy to Let property. For re-mortgages the property must have been owned for 4 months Capital raising for purchase of further Buy to Let property or Buy to Let property improvements No personal debt can be consolidated as part of the mortgage Capital raising for business purposes is not permitted within BlueZest Buy to Let policy Further advances are only permitted once twelve consecutive full monthly payments have been made and if LTV remains at or below 75%
Acceptable Properties	<ul style="list-style-type: none"> New build properties are acceptable For leasehold properties, at the end of the mortgage there must be 45 years remaining on the lease and 55 years at the beginning Property must be of standard construction Property must have buildings insurance on normal terms alongside NHBC/ZMG if under 10 years Properties deemed both suitable for residential letting and good marketability by the valuer No flats above a tenth floor Freehold or leasehold properties in England & Wales Small flats must be greater than 30 m² The property must be insurable Flying Freehold up to 10% is acceptable 	Unacceptable Properties	<ul style="list-style-type: none"> Property subject to any constraint preventing occupation for 52 weeks a year Property comprising over 10 acres (4.05 hectares) Shared ownership and/ or agricultural restriction properties are not permitted Farms and smallholdings as well as flats directly above food premises are not acceptable Pre-cast Reinforced Concrete (PRC) flats and maisonettes designated defective under the Housing Act 1985 PRC houses and Bungalows that have been designated defective and not repaired under an accredited repair scheme Large Panel system flats and maisonettes Mundic class B and C concrete property Properties affected by HS2 Properties affected by Japanese knotweed Properties affected by overriding interest, or unlicensed multiple occupancy Ex-Local Authority flats/maisonettes with a value of less than £250,000 Common-hold properties or freehold flats Property subject to material environmental hazards Mobile homes and houseboats Grade I (England & Wales) listed buildings Holiday lets No Live / Work units Flats above 4 stories with no lift Flats above 4 stories with a value of less than £300,000 Flats above 10 storeys Right To Buy properties in their discount period Flats immediately above food premises
Tenancy	<ul style="list-style-type: none"> The mortgagors may not reside in the BTL property to be mortgaged The property must not be let to members of the landlord's close family The property must not be let to asylum seekers or those with diplomatic immunity The property must be let on: <ul style="list-style-type: none"> A single assured shorthold tenancy agreement with a term of between 6 and 36 months A non-assured shorthold tenancy agreement as a corporate let with a large company (>1,000 employees) with a term of between 6 and 36 months The maximum number of (adult) occupants is 5 per tenancy. All such occupants must be party to the rental agreement Local authority/housing association tenants are not acceptable The tenancy agreement must be in writing and in place within 3 months of the advance The property may not be sub-let 	Funding	<ul style="list-style-type: none"> BlueZest does not accept sales incentives on new build flats Gifted deposits are only accepted from close family members and that the deposit is not repayable and that the family member will hold no interest in the property

Specialist Property Criteria

Multi-unit Properties	<ul style="list-style-type: none"> The applicant must have a minimum of 24 month's letting experience Maximum number of units is 10 Each unit must have its own separate services The use of earned or rental income is not allowed to top slice ICR calculations
HMOs	<ul style="list-style-type: none"> The applicant must have a minimum of 24 month's letting experience Maximum number of units is 10 HMO's must be licensed as required by the local authority The use of earned or rental income is not allowed to top slice ICR calculations