

# West One Buy to Let Criteria Guide

November 2023



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# Scope

The Criteria set out in this document applies to both Buy to Let (BTL) and Consumer Buy to Let (CBTL) lending. In the text, any reference to BTL should also be read as to refer to CBTL mortgages unless explicitly stated otherwise.



West One



# Applications



## Applicants

- ✓ Minimum age 21 years at application.
- ✓ Maximum age of lead borrower is 80 years at application.
- ✓ If not being legally represented, any applicant(s) aged 70 or over are required to receive Independent Legal Advice.
- ✓ Where applicant(s) do not have a full 24-month mortgage / rental history, the application will only be considered on a strong referral basis.
- ✓ All applicants must pass West One's due diligence checks which include PEP and Sanctions checks (including EU, OFAC and UN sanction lists) and in certain circumstances, enhanced due diligence may be carried out.

An Illustration will be issued to all applicants prior to issuing an offer document or at the request of the customer that will be based on the ESIS template as per MCOB regulations, tailored to meet BTL lending specifics.

Power of Attorney and similar are not acceptable

## Nationality of Applicants

- Applicants must reside in the UK and have been resident for the last 36 months.
- For Ex-Pat applications, the applicant must be resident in the EEA (see list below) and have at least 1 existing BTL property in the UK. In addition, they must appoint an acceptable servicing agent in the UK (typically a Solicitor or Accountant). Ex-Pat applicants who are residing outside of the EEA may be considered by referral with these applications being assessed holistically on their Individual merits and may be subject to enhanced due diligence checks. Please ensure that these applications are referred prior to submission.
- EEA Nationals are permitted on standard terms, providing they currently reside in the UK, and have been resident here for the last 36 months.
- EEA applicants (with the exception of Irish citizens) will need to evidence that they have applied to the EU Settlement Scheme (settled and pre-settled status). Information can be found in the link below:  
<https://www.gov.uk/settled-status-eu-citizens-families/applying-for-settled-status>
- Non-EEA Nationals with permanent rights to reside in the UK may be considered by referral with these applications being assessed holistically on their individual merits and may be subject to enhanced due diligence checks.
- UK registered SPVs with shareholders / UBOs who are non-EEA nationals residing outside of the UK with an existing credit footprint in the UK may be considered by prior referral with these applications being assessed holistically on their individual merits and if agreed, may be subject to enhanced due diligence checks.
- All mortgage repayments must be made by Direct Debit from a UK bank account in the borrower(s)' name.
- Ex-pat applicants and non-EEA national applicants with no mortgage history due to unencumbered property in the UK will be considered up to a maximum LTV of 65%.

## EEA COUNTRIES

Austria	Greece	Norway
Belgium	Hungary	Portugal
Bulgaria	Iceland	Poland
Croatia	Ireland	Romania
Cyprus (Greek Cypriots Only)	Italy	Slovakia
Czech Republic	Latvia	Slovenia
Denmark	Liechtenstein	Spain
Estonia	Lithuania	Sweden
Finland	Luxembourg	Switzerland
France	Malta	
Germany	Netherlands	

## Proof of Residency / KYC

- On standard applications, all applicants, directors of SPVs and UBOs must evidence UK residency for the last 3 years.
- All Ex-pat applicants must evidence residency for the last 3 years, covering both their UK and overseas address history. This evidence must be certified.
- Where available, identity and residency will be verified electronically, via Credit Reference Agency searches, namely Equifax Identity Verifier: if electronic checks fail, certified proof of identity and residency will be required.
- The Electoral Roll will be used to check the applicant's UK residency for the last 3 years. If checks are unsatisfactory, proof of residency will be required for absent years along with an acceptable explanation for their absence from the electoral role.
- West One takes its KYC and AML responsibilities very seriously and reserves the right to request further certified or original documentation at its discretion.
- Please see our KYC list (Appendix 1) for acceptable documents.

## Proof of Signature

- In all instances, proof of signature will be required even if KYC has been satisfied via E-ID.

## Unacceptable Applicants

The following individuals are generally unacceptable, but strong referrals may be considered:

- ✗ individuals with diplomatic immunity
- ✗ individuals under the age of 21
- ✗ Lead Individuals over the age of 80
- ✗ individuals with any unspent criminal convictions
- ✗ individuals employed by Enra Specialist Finance
- ✗ individuals on the HM Treasury Sanctions List
- ✗ Power of Attorney
- ✗ Trust

Please see Rate Cards for details of our plan specific requirements regarding Individuals who have been subject to a Property Repossession Order, IVA, Trust Deed, Debt Management Plans, Bankruptcy or Sequestration, CCJs, Defaults and Mortgage Arrears.

## Politically Exposed Persons (PEPS)

- Applications from Politically Exposed Persons will be subject to enhanced due diligence checks and approval will be provided by the company's MLRO before the loan is sanctioned.

## Limited Companies and LLPs

Limited Companies and LLPs are acceptable provided they are simple SPVs that have been established in England and Wales for the purpose of the investment and management of property. More complex SPVs may be considered on a referral basis where an org chart can be provided to clearly illustrate the structure and identify the Ultimate Beneficial Owners(s) (UBOs) In these instances:

- the maximum number of acceptable Directors/Shareholders is 4.
- directors do not have to be shareholders.
- the Ultimate Beneficial Owner (UBO) in any structure must be identified and full anti-money laundering checks will be required on all directors, significant shareholders (20% or more) and those with beneficial interests.
- SIC code for the company must relate to property management, investment or development.
- no minimum trading period is required, and newly formed companies may be considered however a bank account must be in place to allow a direct debit mandate to be set up at completion.
- Personal Guarantees (PGs) will generally be required from shareholders and UBOs on a joint and several basis. Independent legal advice will be required where PGs are given.
- Non-trading Limited Companies and LLPs that also own other properties within the SPV may also be considered on an Individual referral basis provided a letter of non-crystallisation is provided.

## First-time Buyers

West One will consider lending to First-time Buyers where we are satisfied that the property being purchased is to be used for Buy-to-let purposes and not intended for the applicant or their family members to occupy the property. Applications of this nature will be subject to the following: -

- UK Nationals only, residing in the UK.
- Employed applicants only
- Minimum age – 25 years
- Minimum income of £25k pa
- Proof of income must be provided
- Max LTV 75%
- Arm's length purchases only.
- Must have proof of rental payments for the last 12 months or for applicants living with parents will need to see their last 2-months full bank statements
- Applicants must have an established credit footprint in the UK
- Proof of funds will be required which must be sufficient to cover the deposit, SDLT and 6-months' rental voids.
- Applicants to provide written confirmation of their planned living arrangements in the short to medium term.

# Affordability



## Income Requirements

[Proof of income may be required to establish the correct tax banding for DSCR calculation](#) – see DSCR section for details. Other than this, there is generally no requirement for an applicant to evidence their income given that the BTL mortgage will be self-funding but West One reserves the right to request proof of income if we have concerns about general affordability and the rental income potentially being used for purposes other than servicing the monthly mortgage payment. We will need to be satisfied with the borrower's plans to cover the contractual payment in the instance of a rental void period. We may also request evidence of savings to cover up to 6 month's payments in case of any potential rental voids.

### ASTs

- All occupied properties must be let on a standard AST apart from short term and holiday lets.
- Longer term corporate lets for periods of up to 60 months can be considered.
- All tenancy agreements must be on the basis that the rent is paid monthly and that no premium is paid.
- If the passing rent is in excess of £100,000 per annum, the rental agreement must specifically be referred to our acting solicitor for approval.
- If the property is not currently let, we will require an explanation as to why a tenant is not in situ and when the property will be let. West One will require evidence from the applicant to ensure that they have sufficient funds to cover the monthly mortgage payments during the rental void period.
- Properties let to DSS tenants or similar are generally acceptable, either directly or through a Housing Association let.
- Tenant occupation must be for wholly residential purposes and no business can be run from the premises.
- Holiday Lets and Short Term lets are acceptable provided they are assessed on a standard residential AST let basis. West One will need evidence that there are funds in place to cover the monthly mortgage payments if the passing rent is seasonal and there is any lull in the receipt of the passing rent.
- Properties let to family members are unacceptable.



# Loan



## Loan Size

Minimum net loan size is £50,000.

Maximum gross loan size - see rate cards for details.

## Loan Term

Maximum loan term is 25 years.

Maximum gross loan size - see rate cards for details.

Loans are not portable.

## Loan Purpose

Loans may be used for any reasonable legal, domestic or family purpose.

## Home Improvement

Where the security property is subject to light refurbishment works before it can be let out, West One will require evidence that the borrower can afford the monthly mortgage repayments during the refurbishment period until a new tenant occupies the property.

## Proof of Deposit

Evidence of deposit monies along with details of the source of the deposit will be sought from the applicant's solicitor in all instances. Where deposit monies are being provided by or originate from a third-party source, a detailed explanation will be required and further evidence may be requested. Where the deposit monies originate overseas, enhanced due diligence checks may be carried out and the application referred to the company's Compliance Team for approval in line with its Financial Crime Policy.

# Adverse Credit



## Adverse Credit Definitions

- Applications are not credit scored; they are manually underwritten with a full review of the credit search and business searches for Limited Company loans.
- For BTL loan applications where the applicants have a portfolio of BTL properties, we will need to see 12-month mortgage history for their residential property and, in the case of remortgages, for the security property as well. In relation to the wider portfolio, we require evidence of a representative sample of mortgage conduct across the portfolio. Typically, this will be satisfied by evidence of 12-month mortgage conduct for a minimum of 2 x BTL properties or 10% of the portfolio (by number). For applicants with larger portfolios, we will generally limit our requirements to evidencing mortgage payments for a maximum of 5 properties. West One reserves the right to carry out further credit searches against any other known addresses where required and/or request additional supporting documentation.

### Mortgage Arrears

- A secured arrear is classed as any payment on a mortgage or secured loan, not paid before the following payment due date.
- Secured arrears are counted as the total number of missed payments in a set period (not the highest level of arrears). See rate card for details.
- Plan specific criteria applies - see rate cards for details.

### Unsecured Arrears

- An unsecured arrear is classed as any payment on an unsecured finance facility not paid before the following payment due date.
- Comms suppliers and public utilities payment profiles do not generally form part of our unsecured arrears assessment however an explanation will be required where the arrears exceed the plan maximum.
- Plan specific criteria applies - please see rate cards for details.

### Defaults

- Plan specific criteria applies - please see rate cards for details.

### County Court Judgements (CCJS) / Court Decrees

- Plan specific criteria applies - please see rate card for details.

### Pay Day Loans / Doorstep Loans

- Applications where Pay Day loans have been used in the last 3 months are generally unacceptable.
- Applications where Pay Day loans have been used in the last 12 months, but the last usage was over 3 months ago may be considered on a referral basis.

### IVAS, Debt Management Plans and Arrangements to Pay

- Applicant's subject to IVAs, Debt Management Plans or an Arrangements-to-pay are within the last 72 months are unacceptable.

### Bankruptcies & Repossessions

- Applicants subject to current Bankruptcies or whom have had a property repossessed within the last 72 months are unacceptable.

# Mortgage History

Proof of the latest 24 months' mortgage or rent payments must be provided via a credit search, mortgage statement, bank statements or a rent reference from an official letting agent.

We are able to accept 12 months proven payment history (12 months from present date) as long as it is accompanied by a signed and dated declaration form from the applicants confirming they have not missed any payments within the last 24 months.

Where applicants own a property that is unencumbered, these are generally accepted up to a maximum LTV of 75%.





## Property Criteria

- ✓ Security property must be located in England or Wales.
- ✓ Minimum property valuation is £90,000.00.
- ✓ West One reserves the right to reduce LTV / loan size based on valuer's comments.
- ✓ Properties that are of a non-traditional construction but have been confirmed as mortgageable through conventional sources will generally be considered up to a maximum LTV of 70%. Please refer properties of this nature to our Broker Support Team for individual assessment. Other unacceptable non-traditional construction types are covered in the Unacceptable Properties section below.

From 1st November 2020, all new tenancies will need to be accompanied by a current and valid Electrical Safety Certificate under The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020. For existing tenancies, the new requirements come into effect from April 2021

## Flats, Maisonettes and Apartments

- ✓ Must be self-contained with private facilities.
- ✓ Must have direct access to the highway via covered common parts.

## MUFBs

- MUFBs up to 6 units are acceptable and LTVs will be assessed on the lower of the aggregate value of the 6 individual units or the single investment value / single block value.
- MUFBs 7-10 units are acceptable but must be valued on a single investment value.
- MUFBs over 10 units are only considered on a referral basis.
- MUFB properties where some individual units have already been sold independently on long leases with the remaining freehold offered as security will be considered on a referral basis.

MUFBs that are part HMO or Multi Unit Leasehold Blocks (MULB) may be considered on a referral basis and must be referred to West One for review prior to a valuation being instructed as if approved, certain valuation consideration may be needed from the surveyor.

## HMOs

- ✓ Small, licensed HMOs (maximum of 6 beds) are acceptable.
- ✓ Larger licensed HMOs (7-10 beds) are considered on a referral basis.



## Unacceptable Properties

- ✗ Studios Flats less than 30 sqm in size
- ✗ Unlicensed HMOs
- ✗ Properties below EPC rating E
- ✗ Properties without a valid Electrical Safety Certificate under The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020
- ✗ Sale and rent back / lease back properties
- ✗ Confirmed as unmortgageable through conventional sources by the valuer  
Leasehold properties with onerous lease provisions or similar.
- ✗ Commercial property Commonhold Properties
- ✗ Properties Identified by the valuer as having combustible external materials without an appropriate EWS1 form
- ✗ Properties without an appropriate Gas Safety Certificate in line with The Gas Safety (Installation and Use) Regulations 1998
- ✗ Freehold Flats and Maisonettes, unless it is an MUFB
- ✗ Live or work units
- ✗ Any modern method of construction (MMC) property e.g. POD construction where units are built off site, secured on site and services connected
- ✗ Properties containing Mundic Block or similar building materials
- ✗ Grade 1 listed buildings
- ✗ Grade 2\*
- ✗ Mobile Homes
- ✗ Houseboats
- ✗ Property affected by Japanese knotweed
- ✗ Property with ongoing movement or where monitoring is required
- ✗ Property where material environmental hazards are present
- ✗ Property where saleability may be affected by local planning or an unsatisfactory mining search
- ✗ Property subject to any social housing scheme (i.e. Right to Buy, Shared Ownership, Key Worker etc.)
- ✗ Property subject to recent flooding or identified as in a flood area
- ✗ Properties subject to retentions
- ✗ Leasehold properties subject to any form of onerous escalating Ground Rent and/or Service Charges
- ✗ Properties subject to a Tyneside lease

## Properties Considered by Referral

- Flats (Private and Ex-local authority) with 6 storeys or more
- Ex-local authority flats with balcony or deck access
- Property of Easiform construction
- Ex-local authority or MOD flats, houses or maisonettes where the majority of units are not in private ownership. Valuer must confirm mortgageable and max LTV of 70% considered.
- Property containing no-fines concrete
- Flats above commercial premises
- Investor led properties. Valuer must confirm mortgageable and max LTV of 70% considered. Properties marketed as “cash buyers only” generally not considered.



## Recent Purchases

Where a property has been purchased in the last 12 months, LTV calculations will generally be assessed against the lower of the purchase price or the valuation figure. If any building / refurbishment works or similar have been carried out to the property since the property was purchased which merit an uplift in value, we will require specific commentary from the valuer, justifying the increase in value since the purchase.

In scenarios where a title has been split (or is being split as part of the transaction) and the sale is not at arm's length, including any transfers to the current owner or any associated companies, the LTV will be capped to the lower of the purchase price or valuation. Additionally, where multiple units formed part of the original purchase the purchase price will be split on a pro-rata basis to establish the appropriate figure for LTV calculation purposes. This will generally be assessed on a square footage basis but may be adjusted if there are specific attributes to certain parts of the building.

## Restrictive Covenants

Restrictive covenants are generally acceptable. Examples of specific unacceptable restrictive covenants are:

- properties subject to restricted occupancy clauses i.e. park homes that only allow occupancy for 11 months per year
- properties designated as retirement or sheltered accommodation
- properties subject to planning or agricultural restrictions

## Properties with annexes

Properties with an annex are generally acceptable in the following scenarios: -

- Entire security (including annex) let on a single AST are generally acceptable on our Standard BTL range,
- Main security let on an AST and the annex let on a separate AST will be treated as MUFBS and are acceptable on our Specialist BTL range.
- The main house and the annex are each let separately on a short-term holiday let basis are acceptable on our Short-term Let product.

We are unable to proceed If either the main house and/or the annex is occupied by the applicants or family members.

## Tenure

Leasehold Flats	Minimum remaining lease term at the end of our loan period is 50 years for Capital Repayment loans and 55 years for Interest Only loans. Where the loan is Interest Only and the remaining lease term is less than 65 years at the end of our loan term and the loan term is 10 years or less, the valuer must base his valuation on the remaining lease term at the end of our loan (rather than the current lease term).
Leasehold Houses	Minimum remaining lease term at the point of lending must be greater than 150 years.
Freehold	Houses only. Not acceptable for flats, apartments or similar, unless it's an MUFBS.
Commonhold	Not acceptable.
Flying Freehold	Considered if total area is less than 10% of the property. Must be confirmed by the surveyor.

In relation to leasehold properties: -

- if the freehold is being transferred to a management company or each individual leaseholder owns a share of the freehold, we do not normally need to take an additional charge over the freehold title
- if the applicant has an interest in the freehold (Other than as outlined above) we will usually take a charge over the freehold title.

# Property Valuation Reports



## Mortgage Valuations (Full Internal Inspection)

- All applications must have the security property value confirmed via a Mortgage Valuation, addressed to West One.
- Valuation reports are valid for a period of 6 months from the date of the valuation report.
- Valuations will be instructed via the panel management companies. Our Valuer Panel is maintained by our Internal Valuation Team and all valuers are subject to satisfactory due diligence checks and adequate PI cover being in place.
- Valuations will be instructed by West One broker instructions are not acceptable (unless pre-agreed) and will only be instructed once the relevant fee has been received to cover the cost of the valuation.
- A re-typed report is acceptable provided it is dated within the last 3 months and was carried out via one of the approved panel management companies; the original valuation report must be provided.
- Where the valuation report includes either an increase in value or an increase in the rental figure, the lower figure will be used unless strong supporting evidence can be provided.
- Valuation reports showing retentions will confirm the property is unacceptable security.

## Structural Reports

- Applicant(s) will be required to obtain a structural report, if recommended by a surveyor within the mortgage valuation report.
- Structural Engineers reports must be addressed to the applicant, or a letter of reliance obtained, and are only acceptable from members of the following bodies:
  - o The Institution of Structural Engineers ([www.istructe.org.uk](http://www.istructe.org.uk))
  - o The Institution of Civil Engineers ([www.ice.org.uk](http://www.ice.org.uk))
- Properties subject to ongoing movement or where monitoring is required are not acceptable.
- Property that has suffered historic movement, or where a Structural Engineer's report is recommended, will be considered on a referral basis.

## Other Specialist Reports

- Applicant(s) will be required to obtain any specialist reports recommended by a surveyor within a mortgage valuation report.
- Commonly requested reports include Coal Mining, Timber and Damp reports, Electrical, Arboreal/Tree Surgeon reports and Cavity Wall Tie reports.

## Flood Areas

- For property in a known or suspected flood area, a flood check will be completed. West One reserve the right to apply further conditions upon review of the Flood report.



## New Builds

- New build properties are acceptable - please see rate cards for maximum LTV limits.
- “New Build” is defined as built or converted in the last 12 months. Additionally, any new build property that has not been sold (on an open-market basis) and occupied will be classed as a New Build even if the actual build took place over 12 months ago.
- West One will NOT lend against New Builds with pricing out of line with the market, or where the level of builder incentives is deemed excessive.
- Properties built within the last 10 years must hold an acceptable build guarantee / certificate. Acceptable guarantees or certificates include (but are not limited to): -
  - o Ark
  - o Build Assure
  - o BLP (Formerly known as Build Life Plan)
  - o Build Zone
  - o Checkmate
  - o Global Home Warranties (Structural Defects Insurance)
  - o International Construction Warranties (ICW)
  - o Local Authority Building Control (LABC)
  - o NHBC Certificate
  - o Premier Guarantee
  - o Protek
  - o The Q Policy for Residential Properties
  - o Zurich Municipal Policy

Recent conversions are regarded as conversions in the last 12 months (typically houses converted into flats). If a New Build certificate or guarantee is not available, a CML approved Professional Consultant's Certificate will be required, confirming that the conversion was built under the supervision of a person belonging to one of the following: -

- Fellow or member of the Royal Institution of Chartered Surveyors (FRICS or MRICS)
- Fellow or member of the Institute of Structural Engineers (F.I.Struct.E or M.I.Struct.E)
- Fellow or member of the Chartered Institute of Building (FCIOB or MCIOB)
- Fellow or member of the Architect and Surveying Institute (FASI or MASI)
- Fellow or member of the Chartered Institute of Building Engineers (FCABE C.Build E or MCABE C.Build E)
- Fellow or member of the Institute of Civil Engineers (FICE or MICE)
- Member of the Chartered Institute of Architectural Technologists (formerly British Institute of Architectural Technologists) (MCIAT)
- An architect registered with the Architects Registration Board (ARB). An architect must be registered with the ARB, even if a member of another institution, for example Royal Institute of British Architects (RIBA)
- In addition to the above qualifications, at the time the certificate of practical completion is issued, the consultant must have professional indemnity insurance in force for each claim to be greater than either: the value of the property once completed; or £250,000 if employed by the borrower or, in any other case, £500,000.

## Concentration Limits (Core Product Range)

- Any Development Exit
  - Max LTV 70% of OMV, subject to referral and agreement with Asset Management Team
- Standard (Not new build or Development Exits)
  - Up to 3 units acceptable at 75% of OMV
  - 4-6 Units acceptable at 70% of OMV (If block overall exposure is less than 25%, we may consider more on a referral basis)
  - 7-20 Units acceptable at 65% of OMV (if block overall exposure is less than 25%, we may consider more on a referral basis)
  - Over 20 units considered up to 60% of OMV on a referral basis only.
  - Block exposure of up to 100% (but not exceeding 20 units) may be considered.
- Ultimate maximum single exposure limit to any one applicant (or UBO) is generally limited to £7,500,000. Please ensure that any applications where the exposure will exceed £3,000,000 is referred prior to submission.

## Portfolio Landlords

West One does not restrict the number of properties that the applicant (or UBO) has with other lenders however we will verify the portfolio as below: -

- Full portfolio details will be required.
- Based on this A&L statement, West One will make a check against the overall portfolio to ensure that the rental and LTV cover is sufficient (generally a DSCR coverage of 100% minimum is required against the background portfolio).
- West One will verify these details against the credit search and other data available and reserves the right to request further information (i.e. bank statements) if deemed necessary.

## Interest Only – Repayment Vehicles

Where the Applicant has chosen to take out an Interest Only loan with West One, this will only be acceptable if it can be evidenced that the borrower has in place a clear credible repayment strategy to repay the capital. Consideration must be given to the borrower's plans for the repayment of the capital element of the loan during or at the end of the loan term. The explanation will be reviewed to ensure that it is plausible with regard to the current LTV, type of property, age of the applicants, income levels and the applicant's current credit profile.

Examples of repayment strategies which may be acceptable to West One having given full regard to the individual circumstances of the borrower are: -

- Sale of the security property
- Re-finance of property
- A pension
- An existing Investment Plan
- The sale of another property

## Expats Loans

To qualify, the borrowers must be British Nationals and must currently be residing and have been resident in an EEA country for the past 3 years. There is no minimum time period in current country of residence within EEA, subject to satisfactory evidence of residence being obtained.

- Proof of residency for the last 3 years must be provided.
- Applicants must appoint a servicing agent within the UK.
- Please Individual rate cards for details of maximum LTVs available.
- Expats living outside the EEA may be considered on a strong referral basis.

## BTL Plans – Affordability

West One use a Debt Service Cover Ratio (DSCR) to establish affordability for BTL loans. This is tiered as follows: -

Single unit properties	
125%	Individual borrowers who are basic rate taxpayers.
125%	Limited Companies and LLPs
140%	Individual borrowers who are Higher/Additional Rate taxpayers

All HMOs and MUFBs	
135%	Individuals who are Basic Rate taxpayers
135%	Limited Companies and LLPs
140%	Individual borrowers who are Higher/Additional Rate taxpayers

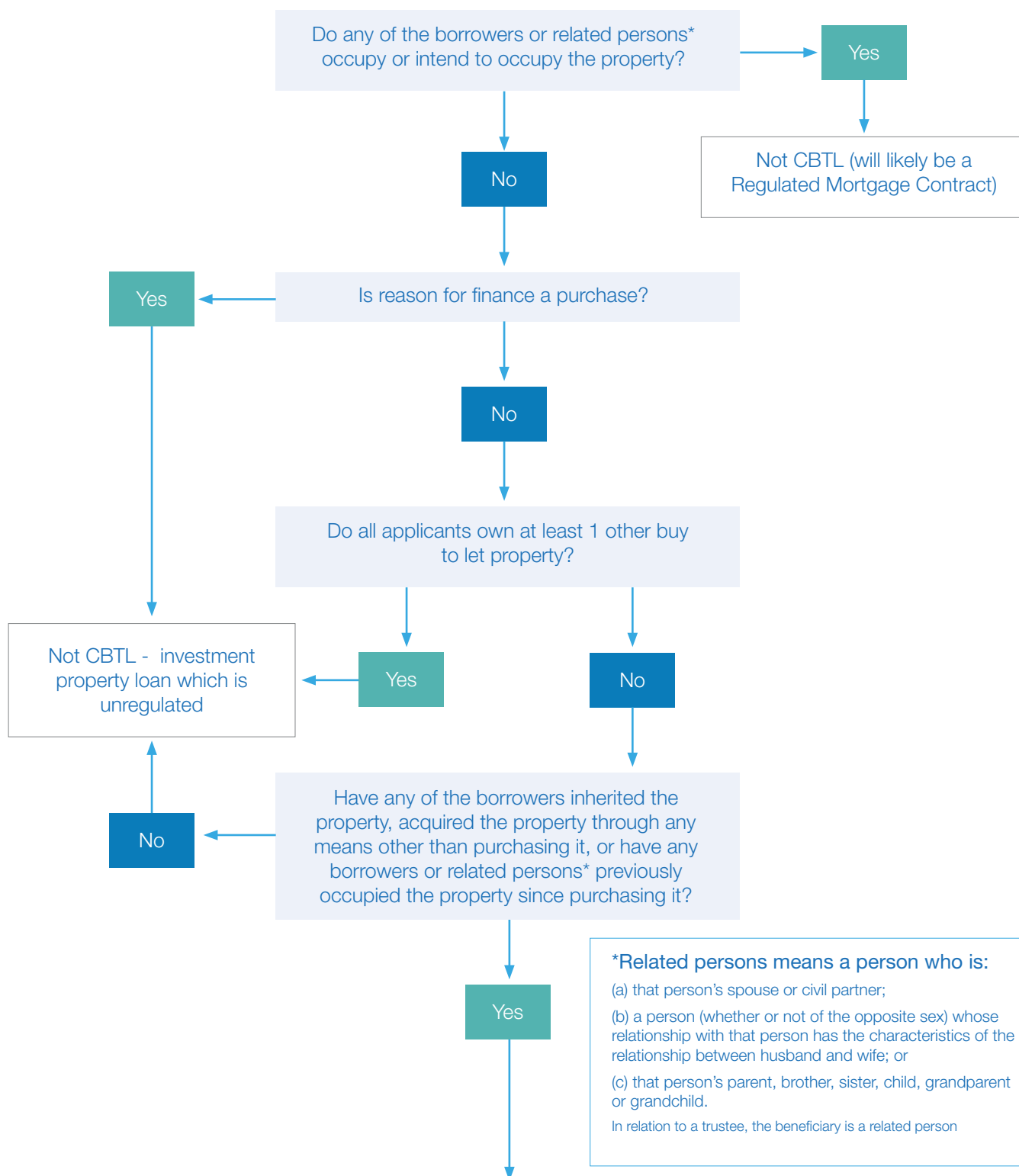
- West One will need to see evidence of the applicant's income to ensure that the correct level of DSCR has been applied for their tax banding unless the DSCR exceeds 140%
- Affordability is based using the lower of the passing rent on the AST or the valuer's rental assessment figure.
- For loans with a fixed rate period of 5 years or more, the DSCR is calculated against the day one pay rate. For all other loans, the DSCR is calculated against West One's Stress Rate, details of which are included in our product guide documents.
- All DSCRs are calculated on an interest only basis.



# CBTL Definition

## CBTL or Not CBTL Decision Tree

(Only applicable to mortgages where the security is a property that is to be occupied as a dwelling on the basis of a rental agreement)



This is a CBTL. When a CBTL is identified, a full advice process should be followed unless the applicant meets one of the regulators execution only exemptions. Where the business has reason to believe the borrower is still acting wholly or predominantly for business purpose and wishes to treat it this way, this will need to be considered on a case by case basis with compliance and director sign off.

# Documentation



## Original and Certified Documentation

The following table confirms which documents are required as originals, and where certified copies are accepted.

Document	Original	Certified Copy*	Copy
Application Form (must include all pages, be signed, dated and selected fees must match the submitted ESIS)	✓	✗	✓
Independent Legal Advice Certificate	✓	✗	✗
Proof of residency	✓	✓	✗
KYC Signature and Address Identification	✓	✓	✗
Bank Account Verification	✓	✓	✓
Valuation Report	✓	✓	✓
All proof of income (where required)	✓	✓	✓

\*Certified copies must be certified as per the certified documents section below.

## Certified Documents

- Any certified documents must be certified by either the FCA Approved Broker, a solicitor registered with the Law Society qualified accountants, notary publics, justices of the peace whereby confirmation of the verifiers qualification/position can be independently verified via a government or recognised organisation's register.
- Documents must clearly show the individual's name, company name, signature and date; a Company stamp is acceptable with a signature and printed name.

# APPENDIX 1

## KYC CHECKLIST (WHERE APPLICANT(S) HAVE FAILED E-ID)

KYC Checklist

Case Name & ID:

Personal Details	Applicant 1	Applicant 2
Full Name:		
Address:		
Postcode		
Date of Birth:		

### Section 1 – 1 Item Of The Following Identification Is Required For Each Applicant – Proof Of Name

1. Current signed passport	Passport/Licence No	Passport/Licence No
2. Current UK or EEA photocard driving licence		
3. Valid Firearms or Shotgun Licence		
4. EEA member state Identity Card		
5. Residence permit issued by the Home Office to EEA nationals or sight of own country passport		
6. Police Warrant Card (with photo)		

### Section 2 – 2 items of proof of address is required for each applicant – proof of address (you cannot use one form of identification for both proof of name and address).

1. Current UK Driving Licence	Passport/Licence No	Passport/Licence No
2. Local Authority council tax bill for current tax year		
3. Benefit Book/Letter from Benefits Agency (dated within the last 3 months)		
4. Electoral Registry entry (current)		
5. Inland Revenue self-assessment or tax demand (dated within the last 12 months)		
6. Bank or Building Society Statement		
7. Utility Bills issued within the last 3 months (excluding mobile phone bills and internet generated statements)		
8. Solicitors letter confirming recent house purchase Or land registry confirmation of address		

### Declaration

Name:

Signature:

Date:

West One, The Edward Hyde Building  
38 Clarendon Road, Watford, WD17 1JW.

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