

## Introducing Zephyr Homeloans

Zephyr Homeloans is a new dedicated buy-to-let lender, providing a range of mortgage products that are focused on meeting the needs of professional property investors.

We understand that the buy-to-let market is evolving and becoming more complex, especially regarding tax rules and regulations. At Zephyr Homeloans, we aim to support intermediaries by staying one step ahead of the market, offering proactive guidance and providing mortgage solutions that will help you meet the needs of your clients.

## Our background

Zephyr Homeloans is a trading name of Topaz Finance Limited, an FCA regulated mortgage lender based in the UK that has been operating since 2006. Topaz looks after the mortgages of over 100,000 customers under a range of different trading names.

Topaz is a business owned by the Computershare group – a global leader in financial services administration, working with some of the world's leading organisations to provide a wide range of financial and governance solutions, including mortgage origination, credit management and customer services.

So, although Zephyr Homeloans is a new name in the mortgage market, our unrivalled depth of industry experience means you can be confident we will deliver the quality service you and your customers expect.

## Product and Criteria Highlights

**Product update! Until further notice our entire product range comes with no Application Fee<sup>^</sup>**

- Landlords with DSS tenants accepted
- UK permanent Right to Reside
- Minimum of one full year's trading required for Self employed and Contractors
- No minimum income for Standard applications, £25K gross for professional landlords
- Income top-ups acceptable
- Maximum age 95 years at completion of mortgage
- HMOs to 6 bedrooms
- MUFBs – up to 6 units
- Flats above commercial Properties
- Ex-Local Authority & Deck Access
- Large loan Size – up to £2,000,000
- Up to 80% LTV
- Unlimited background portfolio
- Minimum property value £100K HMO, £75K standard properties
- Minor adverse considered

<sup>^</sup>Other fees & costs apply. We reserve the right to withdraw and amend our products at any time without notice.  
**All applications are subject to our full Underwriting Criteria, details of which can be found on our website.**

## Summary

### Ranges

|              |   |
|--------------|---|
| 'Standard'   | Individual(s) or Limited Companies purchasing or remortgaging buy-to-let residential properties - excluding HMOs, MUFBs, New builds or Flats above Commercial premises. |
| 'Specialist' | Individual(s) or Limited Companies - purchasing or remortgaging specialist properties - HMOs, MUFBs, New builds or Flats above Commercial premises.                     |

All applicants with 4 or more mortgaged buy-to-let properties (including current purchase or remortgage) will be required to submit a Business Plan including cash flow to demonstrate the sustainability of the portfolio over the previous and future 12 month periods.

| Loan                      | 'Standard'<br>Individuals or Limited Company  |            | 'Specialist'<br>Individuals or Limited Company |            |                                    |
|---------------------------|---|------------|--|------------|------------------------------------|
|                           |   |            | HMO & MUFB                                     |            | New build & Flats above Commercial |
| Maximum Loan To Value     | 80%   | 75%        | 80%  | 75%        | 70%                                |
| Maximum Loan              | £1,500,000  | £2,000,000 | £600,000                                       | £1,000,000 | £1,500,000                         |
|                           | Maximum LTV for portfolios with aggregate loans of more than £2,000,000 is 75%  |            |  |            |                                    |
|                           | We will require proof of the source of deposits   |            |  |            |                                    |
| Applicant Exposure limits | The maximum we will lend to any unique mix of customers is £5m and the maximum aggregate loan is £7.5m. For example, a customer may have £5m in the same joint names and a further £2.5m in sole name or different set of joint names or Limited company. Any borrower wishing to borrow an aggregate amount above £3m is subject to mandated approval by the Lender. |            |  |            |                                    |
| Purpose                   | Purchase or Remortgage (remortgages not permissible within 6 months of purchase)<br>Remortgages not permissible for debt consolidation purposes   |            |  |            |                                    |
| Minimum Term              | 5 years   |            |  |            |                                    |
| Maximum Term              | 35 years  |            |  |            |                                    |
| Minimum Loan              | £50,000   |            |  |            |                                    |
| Repayment types accepted  | Capital repayment or Interest only or combination of both   |            |  |            |                                    |

## Credit Status

|  |   |
|--|---|
| General  | The credit status requirements listed apply to all applicants and Company Directors                               |
| Mortgage / secured loan arrears  | No missed payments per mortgage account in last 12 months and no more than 1 missed payment in the last 24 months |
| Defaults   | No defaults must have been registered within the last 24 months   |
| Unsecured loan arrears   | No more than 1 month in arrears in last 24 months and no arrears in the last 6 months                             |
| Credit Cards   | No more than 1 month in arrears in last 24 months and no arrears in the last 6 months                             |
| County Court Judgements (CCJ)  | Maximum up to £250 in the last 3 years (0 in last 12 months). CCJs must be satisfied                              |
| Company Liquidations, Administration/winding Up Orders & Receiverships   | None in last 3 years  |
| Bankruptcy / Sequestration Individual Voluntary Arrangement (IVA) / Trust Deed Corporate Voluntary Arrangement (CVA) Debt Relief Order (DRO) | None in last 6 years  |
| Payday loans   | None in last 6 years  |

|  |   |  |
|--|---|--|
| Forced or Voluntary Possessions or Assisted Voluntary Sale     | None in last 6 years  |  |
| Underwriting   | Full consumer credit checks and Limited Company searches (if applicable) will be completed on all applicants/ Limited Company Directors   |  |
| <b>Applicants</b>  |   |  |
| Applicant types  | Individuals & Limited Companies (LTD) set up as SPVs with SIC codes. 68100, 68209, or 68320<br>No Power of Attorney applications  |  |
| Guarantees   | For limited companies personal guarantees are required on a joint and several basis   |  |
| Charges  | All Monies Charge   |  |
| Max number of Applicants                                       | 4 applicants or 4 Limited Company Directors as guarantors Only acceptable if directors hold at least 80% of company shares. Limited companies only acceptable with no more than 4 Directors   |  |
| Minimum Age  | 21 years  |  |
| Maximum Age  | 95 at end of mortgage term  |  |
| <b>Nationality</b>   | <b>'Standard'</b>   | <b>'Specialist'</b>  |
| Nationality and Residency Status                               | All applicants, including directors of SPV applications, must be a UK national or have permanent Rights to Reside in the UK with the exception of the armed forces. This will be validated either from mortgage statements, CRA output or a Land Registry search.<br><br>Armed Forces personnel may apply providing we can confirm correspondence address and UK bank account   |  |
| <b>Landlord Experience</b>                                     | <b>'Standard'</b>   | <b>'Specialist'</b>  |
| Existing Property Ownership / First Time Landlords             | At least one applicant or director must have owned and still own at least one property (residential or buy to let) for a minimum of 12 months   | At least one applicant or director must have owned, let and still own one or more BTL property for a minimum of 12 months                                    |
| Employment Status  | Employed in permanent position for at least 6 months and not under notice of termination<br>Self Employed & Contractors - 1 full year evidence of income from accounts or accountants certificate<br>Evidence of regular income required if not in paid employment e.g. retirement income   |  |
| Income   | Proof of income required on all applications. See our Underwriting Guide for required documents   |  |
| <b>Affordability</b>   | <b>'Standard'</b>   | <b>'Specialist'</b>  |
| Rental Cover Standard  | <p><b>Individuals</b></p> <p>High rate taxpayers -140% based on higher of Pay rate +2%, reversion rate or 5.5%.<br/>Pay rate for 5 year fixed rates</p> <p>Basic rate taxpayers- 125% based on higher of Pay rate +2%, reversion rate or 5.5%. Pay rate for 5 year fixed rates</p> <p><b>Limited Company</b></p> <p>125% based on higher of Pay rate +2%, reversion rate or 5.5%. Pay rate for 5 year fixed rates</p> | N/A  |
| Rental Cover All HMO's   | N/A   | 155% based on higher of Pay rate +2%, reversion rate or 5.5%. Pay rate for 5 year fixed rates<br><br>Includes Limited Company HMOs                           |
| Rental Cover All Multi-unit Freeholds & Flats above Commercial | N/A   | 155% based on higher of Pay rate +2%, reversion rate or 5.5%. Pay rate for 5 year fixed rates<br><br>Includes Limited Company MUFBs & Flats above Commercial |
| Business Plan  | All applicants with 4 or more mortgaged buy to let properties (including current purchase or remortgage) are required to submit a Business Plan including cash flow to demonstrate the sustainability of the portfolio over the previous and future 12 month periods  |  |
| <b>Property</b>  | <b>'Standard'</b>   | <b>'Specialist'</b>  |
| General  | Lender must have a first charge over the property and the security must be used for Residential Buy-to-Let purposes   |  |
| Property Location  | England & Wales Only but excluding Channel Islands and Isle of Man  |  |

|   |   |   |
|---|---|---|
| Tenure                                      | Freehold or Leasehold – with minimum term of 70 years left on the lease at the planned end of the mortgage term<br>Ground rent and Service Charges must be included in cash flow projections (portfolio landlords only) for leasehold properties<br>Applicants for leasehold properties should not hold a controlling interest in the Freehold  |   |
| Minimum Valuation                           | £75,000   | £100,000 for HMOs, Multi-Unit Freehold Blocks & Flats above Commercial premises   |
| Development Exposure                        | Maximum of a single unit in developments of up to 7 properties, or 25% of units in developments of between 8 and 50 properties and 15% where the development comprises of 50 properties or more<br>A maximum of 20% of properties within any individual full postcode area  |   |
| <b>House in Multiple Occupation (HMO)</b>   | <b>‘Standard’</b>   | <b>‘Specialist’</b>   |
| Definition                                  | N/A   | In England & Wales, a HMO is defined as a property which is let to three or more tenants, (five or more tenants for a ‘large HMO’), who form two or more households and who share a kitchen, bathroom or toilet.  |
| HMO Specific Requirements                   | N/A   | Applications on HMO property will only be considered for existing landlords with at least 1 years’ experience of letting property. For joint applications one of the applicants must be an existing landlord with at least 1 years’ experience of letting property  |
| HMO No. of Bedrooms, Planning & Permissions | N/A   | Maximum of 6 bedrooms<br>Current HMO licence must be valid  |
| <b>Multi-Unit Freehold Block</b>            | <b>‘Standard’</b>   | <b>‘Specialist’</b>   |
| Definition                                  | N/A   | A property that has more than one residence within it but with facilities not shared between occupants. Can be purpose built (such as a block of flats) or converted (such as a house converted to flats)   |
| MUFB Specific Requirements                  | N/A   | Applications on MUFB properties will only be considered for existing landlords with at least one years’ experience of letting property. For joint applications one of the applicants must be an existing landlord with at least 1 years’ experience of letting property   |
| MUFB No. of Units                           | N/A   | Maximum of 6 units in any one development   |
| <b>Flats above Commercial Premises</b>      | <b>‘Standard’</b>   | <b>‘Specialist’</b>   |
| Definition                                  | N/A   | We will consider applications relating to flats above commercial premises subject to a maximum LTV of 70% and recommendation from our valuer that the property forms a suitable security<br>Flats above restaurants, takeaways or pubs are subject to underwriting discretion and a favourable valuer’s report  |
| <b>New Builds</b>                           | <b>‘Standard’</b>   | <b>‘Specialist’</b>   |
| Definition                                  | N/A   | A new build property is one that has been recently constructed or converted and is being sold for the first time as completed and ready for occupation or, has been previously sold for on this basis within the last twelve months<br>Builders deposits/gifts will be deducted from the purchase price before calculating the available loan amount and deposit required<br>New build HMO or new build MUFB are not accepted |
| <b>Property Exclusions</b>                  |   |   |
|   | Houseboats. Holiday Lets. Mobile Homes. Shared Ownership. Commercial Properties. Serviced & Retirement flats. Farms & Agricultural dwellings. Properties with more than 10 storeys (unless approved in principle prior to DIP submission). Properties let on a commercial basis. Right to Buy still within discount period. Flats with a total floor area of less than 30 sq. meters. Properties not recommended by our appointed valuer. Flying Freeholds covering more than 10% of the property. Non-traditional construction such as pre fabricated buildings and Concrete or timber constructions where structural defects are likely to be apparent. Other property exclusions apply – please check with our Business Development Managers if needed. Freehold Flats. Live / Work Units. Mixed use properties. New build HMO or MUFB |   |

| Other Points                           |   |
|--|---|
| Payment Methods Accepted               | Direct Debit only – must be from borrower's own bank account.<br>For Limited Companies the Direct Debit must be from the company bank account   |
| Offer Validity                         | 180 days  |
| Assured Shorthold Tenancy (AST) Period | An AST for a period of between 6-36 months can be considered or Contractual Tenancy if required by law<br>Single or Multiple ASTs for Student and HMOs<br>Multiple AST only for Multi-Unit Freehold Block properties  |
| Fees                                   | Product fees of up to 2.5% or £2,500 (whichever is the greater) may be added to the loan or deducted from the mortgage advance<br>Where fees are added they will be excluded from the LTV calculation<br>Application and valuation fees must be paid up- front and are non- refundable<br>Fees added to the loan will attract interest over the mortgage term                       |
| Overpayments                           | Up to 10% of the outstanding balance can be repaid in any 12 month period without incurring an Early Repayment Charge   |
| Solicitors                             |   |
| Lender Panel                           | Applicants must appoint a solicitor from our panel. We will appoint a solicitor for all Limited Company applications and they can also act for the Limited Company if required<br>Applicants will need to instruct a solicitor to sign a Declaration to confirm the Limited Company Directors understand the implications of the purchase or remortgage and the Personal Guarantees |

| Income   | Acceptable Sources  | % of income taken in to account |
|--|---|---------------------------------|
| <p>This section provides detail of acceptable sources and proof of personal income.</p> <p>See our Underwriting Guide for full details on how an applicant may verify their employment status.</p>   | <p>PAYE - basic gross salary, large town allowance, guaranteed shift allowance, car allowance, mortgage subsidy, second job salary, pension income</p> <p>Self Employed - net profit if sole trader or partner, applicants share of annual net undrawn retained profit, foster income, self employed contractors/Agency workers, gross salary/ dividends if director in Limited Company</p> <p>retired – pension income</p> | 100%                            |
|  | <p>Investment income (excluding rental income), Guardians allowance, Disabled benefits, Maintenance income, Carers Allowance, trust Income</p>  | 50%                             |
|  | Unacceptable Sources  |                                 |
|  | <p>Expenses, Bonus Income, Mileage/fuel Allowance, First aid Allowance, Broadband &amp; phone allowance, Educational Grants/Bursaries, Foreign Currency Income, Housing Benefit, Income Support, Job Seekers Allowance, Bereavement allowance, Income from casual employment (other than Zero Hours contracts ), Income from lodgers (i.e. income which is not subject to a formal AST/SAT Tenancy Agreement)</p>           |                                 |
|  | Proof of Personal Income  |                                 |
| <p>There is a requirement for <b>all</b> applicants to validate their employment and employment income.</p> <p>Where two applicants are partners, form a single household and share an address, it is only necessary for <b>one applicant</b> to meet this criterion. The employed applicant must be entered on to the system as the first named / primary borrower.</p> <p>Employed/retired - Last 3 payslips required to evidence 6 months earnings via YTD figure with name and address of employer. Where these payslips do not demonstrate six months earnings, via the YTD figures, the most recent P60 or further payslips must be provided to evidence the 6 month history</p> <p>Self employed – Applicants not looking to use earned income to cover a rental shortfall, a minimum trading period of one full year is required which we will evidence via income from accounts, an accountants certificate or an SA302 in conjunction with a tax year overview. For those who do wish to use earned income to cover a rental shortfall, two year's history is required. Also require last 3 months business bank statements</p> <p>Investment Income – Lower of average of last 2 year's income or the latest year's figures and evidence of the source e.g. dividend vouchers or 2 years P60 and confirmation that the intention is to retain the capital for investment purposes</p> <p>Maintenance Income – Original Maintenance Agreement AND 3 months bank statements AND confirmation that at least 5 years left on the arrangement</p> <p>Benefits Specifically for the Disabled – Original latest award letter OR Most recent Full or Amended award notice for the current tax year – showing at least 5 years remaining</p> |   |                                 |

# Approved Valuers Panel and Fees

Our approved valuers are Connells Survey & Valuation Limited, one of the Country's leading national firms of Chartered Surveyors and part of the Connells Group.

| Valuation up to  | BTL valuations (including new builds and flats above commercial premises) | MUFB / HMO valuation |
|--|---|----------------------|
| £100,000   | £190  | £465                 |
| £150,000   | £220  | £465                 |
| £200,000   | £255  | £480                 |
| £300,000   | £315  | £550                 |
| £400,000   | £345  | £610                 |
| £500,000   | £370  | £670                 |
| £600,000   | £430  | £735                 |
| £700,000   | £515  | £795                 |
| £800,000   | £570  | £905                 |
| £900,000   | £635  | £980                 |
| £1,000,000   | £725  | £1,050               |
| £1,250,000   | £815  | £1,450               |
| £1,500,000   | £900  | £1,450               |
| £1,750,000   | £990  | £1,850               |
| £2,000,000   | £1,075  | £1,850               |
| £2,500,000   | £1,911  | £3,015               |
| £3,000,000   | £2,225  | £3,015               |
| £3,500,000   | £2,425  | £4,015               |
| £4,000,000   | £2,625  | £4,015               |
| £4,500,000   | £3,025  | £5,015               |
| £5,000,000   | £3,325  | £5,015               |
| £6,000,000   | £4,125  | £6,015               |
| £7,000,000   | £4,725  | £7,015               |
| £8,000,000   | £5,325  | £8,015               |
| £9,000,000   | £5,925  | £9,015               |
| £10,000,000  | £6,425  | £10,015              |
| <b>Re-valuations</b>   | £120  | N/A                  |
| <b>Re-inspections</b>  | £75   | £250                 |
| <b>Re-type<br/>(If within 3 months of original inspection)</b> | £35   | £70                  |

# ICR & Income top slicing

| Applicant Type | Property Type              | Transaction Type   | Tax Status     | Rate Type              | Stress Calculation |  |   |
|----------------|----------------------------|--------------------|----------------|------------------------|--------------------|--|---|
|                |                            |                    |                |                        | ICR%               | Stress Rate                                    | Option to use personal income to make up a shortfall? |
| Individual     | Standard (Not New Build)   | Not LFL Remortgage | Not Lower Rate | 5 yr + fix             | 140%               | Product Rate                                   | Yes, Min income £50,000                               |
|                |                            |                    |                | Variable or < 5 yr fix | 140%               | Higher of payrate + 2%, reversion rate or 5.5% |   |
|                |                            |                    | Lower Rate     | 5 yr + fix             | 125%               | Product Rate                                   | No  |
|                |                            |                    |                | Variable or < 5 yr fix | 125%               | Higher of payrate + 2%, reversion rate or 5.5% |   |
| Individual     | Standard (Not New Build)   | LFL Remortgage     | Not Lower Rate | 5 yr + fix             | 125%               | Product Rate                                   | No  |
|                |                            |                    |                | Variable or < 5 yr fix | 125%               | Higher of payrate + 2%, reversion rate or 5.5% |   |
|                |                            |                    | Lower Rate     | 5 yr + fix             | 125%               | Product Rate                                   | No  |
|                |                            |                    |                | Variable or < 5 yr fix | 125%               | Higher of payrate + 2%, reversion rate or 5.5% |   |
| Individual     | HMO, MUFB, FAC & New Build | All Transactions   | Any Tax Rate   | 5 yr + fix             | 155%               | Product Rate                                   | No  |
|                |                            |                    |                | Variable or < 5 yr fix | 155%               | Higher of payrate + 2%, reversion rate or 5.5% |   |
| SPV            | Standard                   | All Transactions   | Any Tax Rate   | 5 yr + fix             | 125%               | Product Rate                                   | No  |
|                |                            |                    |                | Variable or < 5 yr fix | 125%               | Higher of payrate + 2%, reversion rate or 5.5% |   |
| SPV            | HMO, MUFB, FAC & New Build | All Transactions   | Any Tax Rate   | 5 yr + fix             | 155%               | Product Rate                                   | No  |
|                |                            |                    |                | Variable or < 5 yr fix | 155%               | Higher of payrate + 2%, reversion rate or 5.5% |   |

Dedicated lender  
for professional  
landlords and  
specialist property  
investors

Manual  
underwriting  
decisions with  
complex portfolio  
cases assessed on  
a commercial  
basis


Online submission  
and case tracking  
system


Consistent reliable  
service that meets  
your expectations

## Speak to our expert BDMs:




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## Find out more:



[www.zephyrhomeloans.co.uk](http://www.zephyrhomeloans.co.uk)



Zephyr Homeloans



@ZephyrHomeloans

### Intermediary support team

To contact our intermediary  
support team Monday to Friday,  
9am until 5pm:



[newbusiness@zephyrhomeloans.co.uk](mailto:newbusiness@zephyrhomeloans.co.uk)



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### General enquiries



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