



keys[®]
Guide to
Buy to Let Finance

Written by Lisa Orme



I'm Lisa Orme, I've been a property investor and developer for ten years and more recently set up my own mortgage brokerage; [Keys Mortgages](#).

As a property investor I know that most of us are going to have to use finance to grow our portfolio even if we have a pile of cash to get started. In fact if handled correctly it makes financial sense to leverage the banks money in this way. But as a property investor and mortgage broker I also know that finance is tough at the moment and with a myriad of products still available (currently over 300) it can be hard to know where to start.

So here's my quick start guide to buy to let finance for beginners, those re-entering the market and those who just don't know where to turn next.

BUY TO LET MORTGAGES

These are mortgages that are specifically designed to be used on properties that will be let out in return for a monthly rent. Some lenders don't offer buy to let mortgages at all, others do, some offer them via specialist lending arms to their business and some lenders set up completely separate companies to offer buy to let and non-residential lending.

You cannot typically use them on:-

- Your own home
- A second home
- Properties rented to relatives
- Holiday lets
- Commercial or semi-commercial property
- Properties not rented on a standard 6 or 12 month AST
- Properties rented to anyone other than working tenants

While lenders have increasingly asked for an earned income the key factor of a buy to let mortgage over a residential mortgage is that the amount a lender will lend to you is based upon the value or purchase price of the property versus the rental achievable.

CREDIT SCORE

While it's important to keep an eye on your credit file don't pay too much attention to online credit scores as they bear little correlation to those used by the lenders. I'm fully aware of people with over 900 on their credit files failing to obtain lending and those with much lower scores passing.

This is because a good credit score is only half the story; lenders will be looking at your score **and** your credit profile combined as well as a number of other factors. Any one of these alone may not have that dramatic an impact but combine two or more and you could find yourself being rejected by lenders:-

- Ensure you are on the electoral roll
- Avoid moving house frequently – the ideal is one address covering the last 3 years
- Keep your current bank account clean; avoid late charges, going over overdraft limits, ensure you have plenty of credits and debits on a regular basis and that they all get paid
- Ensure you have at least one utility bill in your name – there's a tendency for one adult to take responsibility for all bills in many households but this can work against you so put them in joint names or split them between you
- Watch those credit cards and loans balances – even if you have never missed a payment lots of unsecured debts will adversely affect your applications
- Similarly if you have lots of credit cards and aren't using them cancel a few – lots of available unsecured debt can have the same detrimental affect
- NEVER miss a mortgage payment – unless you have a very good reason for this and the evidence to back it up this will almost certainly result in a declined application
- Avoid missing credit card and loan payments – the odd one over several years is unlikely to have an effect but lots of them or a regular habit of missed payments will

Be honest with your mortgage adviser. If you have had or are aware of any issues or problems then tell them about it so that they can investigate with the lenders first and resolve any issues. If you lie about missed payments or address history it will be revealed and is a waste of everyone's time and you'll likely still get charged with nothing to show at the end of it!

INCOME REQUIREMENTS

Most lenders will want to know that the rental will adequately cover your mortgage payments but many are also increasingly concerned about investors who are unable to support their lifestyle so most now have an earned income requirement too.

Generally this income will need to be outside of property i.e. rental income or income earned from property development won't be classed as the primary income. However it can often be used to supplement your income.

A couple of buy to let lenders are very keen to lend to professional landlords and are more flexible with their income requirements. Mortgage Works for example don't have any income requirements at all presently BUT they do reserve the right to check on your earnings, bank statements, etc if they wish to ensure that you are able to support yourself.

Chat to your broker and/or the lender to determine which applies before submitting any applications.

HOME OWNERSHIP

An increasingly important factor in obtaining a buy to let mortgage is being an existing property owner.

Some lenders will insist that you own your own home, mortgaged or otherwise. Some will insist that you have at least one mortgage in your name at application. Others won't mind if you own or rent your own home as long as you own at least one other property. Some lenders will allow a non-property owner onto an application with a property owner and others won't.

The fact is if you are a tenant, in work provided accommodation or living at home with your parents for example, wish to invest in buy to let and don't own any property in your own name you are presently going to find it difficult (though not impossible) to obtain a buy to let mortgage and you will find that the best rates and terms won't be available to you until you do. One way to consider is to buy a property with cash or bridging and then remortgage in 6 months time. This has cost implications (see later in the report) so discuss your options with a broker before committing to a purchase if you don't currently own a property at all.

AGE

Most residential lending is allowed until your retirement, usually 65, as you will generally not be earning the same money to support a mortgage. Buy to let is different however and most lenders will comfortably allow lending up until your 75-85th birthday and even 90.

If you're in your 50s or 60s and find yourself now in a financial position to start building a portfolio you need not fear about not being able to get mortgages. I have clients just starting out in their 70s!

LENDING LIMITS

Most lenders will have lending limits which is the maximum number of loans or amount of money they are prepared to lend to you. This is typically £2-5million. Though as higher limits are reached it's not unusual for lenders to reduce their loan to values. For example 80% to £1.5m then 65% to £5million.

However some lenders have much lower lending limits; Precise Mortgages for example will only lend to you for one buy to let. Birmingham Midshires recently shocked the investing community when they reduced their lending limits to just 3 properties or £2million (whichever is reached first). This was reduced from 9 properties.

It may look like you have an unlimited supply of money at your fingertips with these high lending limits but with individual lending criteria being quite tough and not many players in the marketplace if you plan to build a decent sized portfolio it is easy to run out.

If you are a couple and are buying properties between you it can make sense to buy in individual names to increase your lending allowances.

Tax and ownership issues can easily be overcome in this situation. It is important to note however that some lenders may still see you as 'connected parties' and restrict your lending according to their normal limits so it's always worth checking with the lender or your broker before deciding on your strategy.

LOAN TO VALUE (LTV)

Loan to value is the most that the lender will provide to you based upon the purchase price of the property.

This determines the level of deposit you require. So if the lender will lend 70% and you buy a property for £100,000 you will require a deposit of 30% i.e. £30,000.

Don't be fooled by the term value; it is extremely rare for any lender to actually lend against value. Most will lend against the purchase price with the odd one lending against value *or* the purchase price whichever is the LOWER.

So if you buy a property for £80,000 but you can evidence that it's really worth £120,000 the lender will still only lend against your £80,000 purchase price. Don't try to look for ways around this; live with the reality and move on.

Kensington are currently the only 'high street' buy to let lender that will go to 85% LTV but be warned about the rates and terms with this product and that there is an income requirement with Kensington.

The Mortgage Works will go to 80% LTV but it's important to know that if you are a first time landlord you will not have access to 80% product until you've owned your first buy to let property for around 6 months. As a first time landlord you're restricted to 75% LTV currently.

Most other lenders are lending somewhere between 60-75% LTV.

RATES

The interest rate payable on your mortgage varies considerably with rates typically averaging between 3.5% - 6.5% currently.

The rate payable will typically depend upon several factors:-

- Lender
- Arrangement fee
- Type of property
- Product term, long term fixed rates will be more expensive than shorter terms
- Product type; fixed, tracker etc.

It's important **NOT** to simply look at the headline rate of a product. While this may give you the best cashflow it's likely that the lowest rates have the highest arrangement fees or are over the shortest terms e.g. 1 year fixed and you may have to remortgage all over again in 12 months time incurring greater costs overall.

However there are times when a one year product, with some exceptionally low rates available at present, can really come into their own.

I recommend working off around 5.5% as an average at the moment but remember that rates can and do go significantly higher so always 'stress test' your property and the rent it provides at much higher rates to see how far rates can go before you will struggle to meet the payments.

RENTAL COVERAGE

Buy to let lenders are always concerned with ensuring that the property has sufficient rental coverage to meet the mortgage payments. They will use a rental stress test calculation to determine this. The typical calculation is 125% of the pay rate or some other predetermined rate.

To demonstrate, if the pay rate was 5% and you were borrowing £100,000 the lender would want to see a rental of £521 a month to allow that level of borrowing.

$$\text{£100,000} \times 5\% / 12 = \text{monthly mortgage payment (£416)} \times 125\% = \text{£521}$$

If you're rental is lower than that then even if the property values accordingly they will still reduce the level of borrowing to meet that rental coverage.

It's important to note that rental coverage requirements can be significantly higher than this. Lloyds Bank for example use a rental stress of 190% based upon a repayment mortgage; most buy to let lenders are willing to work off interest only payments. Paragon use a stress test of 130% based upon a rate of 7% even though their pay rates are a lot lower than this.

Rental coverage is there to protect you; pay attention to what the numbers are telling you about your deal.

INTEREST ONLY OR REPAYMENT

Most buy to let lenders will allow you to pay your mortgage on an interest only basis. This has several advantages:-

- Increased cashflow
- Easier accounting
- Use today's money to invest further rather than pay down tomorrow mortgage

But this is very much a personal and commercial decision based upon your own strategy.

There are benefits from going on a repayment mortgage too:-

- Increasing equity
- Reduced risk
- Psychological benefit of seeing your mortgage reduce

You can also do 'part interest only and part repayment'. The best thing to do is to discuss your strategy and property investing aims with your mortgage broker and accountant and decide on what's best for you; there is no right or wrong with this.

ARRANGEMENT FEES

This is probably an investor's biggest bug bear at the moment as they do seem relatively high. Average arrangement fees are 1.5-3.5% currently and this is based upon the loan amount not your purchase price.

However despite the credit crunch we still have excellent rates in buy to let and it should not be forgotten that buy to let is in effect commercial finance which has typically carried rates significantly higher than that of residential rates. So in order to keep rates attractive and improve investors cashflow lenders have increased arrangement fees instead.

The fact is they are there and we have to face up to them or not invest; it's as simple as that.

Some lenders offer a variety of arrangement fee options including no fees, fixed fees or lower percentage fees but it's very important to calculate your overall cost. On an expensive purchase a fixed fee can work out very cheap but on a lower value purchase that isn't usually the case. Products with no arrangement fees usually have much higher interest rates.

Some of the newer players to the market and some building societies have much lower arrangement fees than the main buy to let players but you will generally find that the loan to values are much lower and there are other criteria that may mean you simply can't use that lender.

It's worth keeping an eye out for specials such as the one week only offer recently launched by Birmingham Midshires with a 0.5% arrangement fee and £500 cash back. These don't come along very often however!

Arrangement fees can usually be added to the loan if you wish and this does minimise the cash required upfront. But if you continually remortgage every couple of years you will be adding to not reducing your debt so be careful.

OTHER FEES

There are a whole host of other fees you will encounter when entering into buy to let and while I won't go into these in great detail they may include:-

- Stamp duty (1-4% depending upon the purchase price or even zero if below £125,000)
- Legal costs (depending upon whether the property is freehold or leasehold and if it's a purchase or remortgage expect £500-1,000)
- Valuation fee (again usually dependent upon value/purchase price expect £250-500 on average)
- Mortgage broker fees (average £250-500)
- There will also be a myriad of small fees usually added on by the lender such a telegraphic transfer fees, clients own conveyancer fee, clients own insurance fee, etc and these usually add on around £100-300.

Some lenders/products offer free valuation and legal fees though this is not common in buy to let and is more often used for remortgaging to try to attract new business.

PROPERTY

Many buy to let lenders impose all sorts of restrictions on the property itself so it is important that you check out the viability of lending on the property before agreeing the sale. It is not uncommon for me to receive a panicky call from an investor who has committed to buy a property at auction that they find they then cannot obtain finance for and that apparent bargain is no longer a bargain!

Only this week as I type this I have had two non-standard construction properties that I have struggled to place; steel frame and a particular type of timber frame. It's common for estate agents or sellers to say that they are mortgagable which they often are for residential purchasers but it is a whole different ball game when it comes to buy to let. I managed to place both of them but the rates and terms aren't great compared to buy to let standard terms but it's better than nothing.

Properties to be wary of are non-standard construction, agricultural ties, concrete build, high rise flats, ex council properties, timber frame, steel frame, freehold flats, multiple units (bedsits, houses split into flats, Houses of Multiple Occupation), non standard tenancies, above, below or next to commercial, and the list goes on.

I could find lending on pretty much all of these BUT the terms and rates may not be to your liking so it's important to check beforehand with your broker or lender.

TYPE OF MORTGAGE

The following is a brief précis of the different type of mortgage products available. They all have their place and can be a great part of your strategy if used correctly. Again don't look just at the pay rate it's important to look at all aspects of the mortgage.

Fixed – the rate is fixed for a certain initial term of the mortgage; usually anything from 1-5 years. It is extremely rare to find a fixed rate for the entire term of the mortgage e.g. 25 years. Expect to pay more the longer you fix but a great way to manage your cashflow and ensure a peaceful night's sleep!

Tracker – these mortgage rates usually track the Bank of England base rate or LIBOR (London Inter Bank Offer Rate), though few buy to let lenders track LIBOR these days. If the base rate or LIBOR goes up or down then so will your rate, usually a month later or every quarter. Some of these products have floors or ceilings meaning the maximum or minimum rate that the lender can charge. Beware of rates with no ceiling especially as rates start to move upwards. A 4% over base tracker can seem attractive now with a base rate of 0.5% but if the base rate was 5% then your pay rate would be 9% - ouch!

Stepped Tracker – a mortgage that tracks the base rate and is usually higher in the first year and drops in the second year providing a margin against potential rate rises.

Variable – these follow the banks own pre-determined rate. The upside to these is that the banks don't necessarily increase their standard variable rates when the base rate or LIBOR moves. Conversely you may find that they change their rates when they don't! Not a rate for the faint hearted but they have their place.

Discounted – these are pretty rare in buy to let circles but essentially it's usually a discount from the underlying lenders standard variable rate or tracker rate.

Capped – again rare in buy to let circles but these are usually a tracker or standard variable that has an upper cap. Great if rates are low and they give you a maximum pay rate even if rates go up. Worth checking if there are conditions to these special rates though, for example the cap may be lifted if base rates reached an historic high!

Refurb Mortgages

A really exciting addition to the buy to let finance arena is the advent for the refurbishment mortgage. These products weren't available prior to the credit crunch so we should be grateful for something!

Essentially these allow you to buy and finance a property requiring works at the same rates as standard buy to let finance, complete the works and drawdown on some of the equity in a relatively short period of time. Up until these products were launched you had to wait until the property had been refurbished before using a buy to let mortgage often having to fund the property with cash or expensive bridging finance initially and then waiting at least six months before remortgaging.

The way these products work is by way of a retention for the cost of works and/or additional drawdown.

To demonstrate:-

Purchase price	£69,950
Initial loan 70% LTV	£48,965
Cost of works	£15,000
End value	£100,000
End mortgage 70% LTV	£70,000
Retention/Drawdown	£21,035

The property is valued at the beginning for its current value/purchase price and also its end value and schedule of works. A reinspection takes place once works are completed and the retention is released.

There are numerous advantages to this product including the lower cost of finance throughout the project, no need to remortgage paying additional valuation and legal fees and most importantly of all you know upfront the exact numbers you are playing with. If the property is down valued then you can decide whether to proceed or not before completing on the purchase.

If you had paid for the property cash or with bridging and completed the works then had a down valuation you would have struggled to retrieve the cash in the deal. This way you know upfront exactly what money the deal will cost you.

The above example is based upon the **Light Refurbishment** product which allows you to drawdown up to £25,000 after works to a maximum of 70% of the end value and subject to rental coverage. The Light Refurbishment product should be used on what I would describe as a typical 'rental refurb':-

- New kitchen
- New bathroom
- Redecorating
- New flooring
- Minor works

It is important to note that this product is NOT aimed at Below Market Value purchases per se. They are aimed at properties that are unsuitable for letting upon purchase not to simply withdraw any discount. While the lender will allow you to drawdown more than just the cost of works it is not sufficient to aim for a £25,000 drawdown based upon simply changing the carpets!

It is best to talk through your plans and the numbers with your broker before using the product to understand how it works in practice and how it applies to your project.

House to House

Other than the refurbishment mortgages above most buy to let products will have the condition that the property must be lettable day one.

This means that a tenant can move into and occupy the property almost immediately upon purchase. If the valuer deems the property is not lettable then your loan may be refused or have a retention for works placed upon it.

If you have a property that does not fit the lettable criteria and does not work for the refurbishment mortgage then consider Birmingham Midshires House to House product.

This is a peculiar little product that can be used on a variety of properties that may not work for ordinary buy to let purposes such as where the property is a holiday let, a second home or being purchased to house a relative. Also as the property has to be habitable rather than lettable it can be used where the property doesn't fit the usual criteria.

This product is based upon affordability which must be proven so won't suit everyone but is well worth discussing with your broker when you have something outside of the norm. You can only have 3 properties on the House to House product and as you can only have 3 across the entire Lloyds Group now you need to be selective about when to use this product.

OTHER TYPES OF PROPERTY FINANCE

Historically commercial financing was for purely commercial premises; a shop, a hotel, a pub, an office, a warehouse etc. Semi-commercial funding would be for property that has an element of residential to it such as a flat above a shop or pub with owner accommodation, etc.

However commercial and semi-commercial funding can also be used on purely residential property and you may find that the terms are intertwined periodically; as if lending wasn't confusing enough!

If you have a property that does not fit normal lending criteria you may find that commercial or semi-commercial finance is suitable. This might include:-

- Freehold flats
- Multiple units in one building for example a house converted to flats or a HMO
- Regulated tenancies
- Combination of commercial and residential

You will generally find that the rates are higher and terms stricter such as a requirement to have a repayment loan or switch to one in a period of time for example in 5 or 10 years.

But if you are buying something that is 'outside of the norm' then you should be buying it at a very good price and find that the rates and terms are more palatable as a result. As always let the numbers tell you if the deal works or not; if it doesn't stack it's not a good deal!

DEVELOPMENT FINANCE

If your property requires major renovation, conversion or you are looking to build on a plot of land then you will require specialist development finance.

This is one of the hardest hit areas of finance as a result of the credit crisis and is particularly hard to obtain and qualify for with so few lenders in this marketplace. Even established and profitable developers are finding it hard to obtain.

The typical level of borrowing is going to be 50% of land/property costs and 50% of build/cost of works.

It is possible to get higher on both land and build costs but this will very much depend upon the project, the experience of the developer and the security available.

BRIDGING

Bridging finance was traditionally used to bridge the gap between a purchase and a sale. For example Mr Smith is selling his family home for £300,000 and buying a new one at £500,000. He has arranged his new mortgage on the new property for £250,000 but the sale of his old property is dragging out and if he doesn't move quickly he will lose the new one too. So he covers the gap with a short term bridging loan until the old property sale goes through.

However while lenders and brokers still use the term 'bridging' it covers a multitude of situations including:-

- Property trading/buy to sell deals
- Property refurbishments
- Auction purchases or where there is a requirement for speed
- To pay inheritance tax bills or settle family debts in a deceased estate
- To fund properties for 6-12 months while waiting to remortgage
- Properties being split into units or awaiting title registration (leasehold splits)
- Properties with issues that need to be sorted before sale or refinancing
- To pay for a commercial property prior to occupation by a tenant
- Plus many more uses.

Bridging finance can be provided in as little as 24 hours, is often non-status (no income or credit requirements) and is ideal for properties ordinary lenders wouldn't touch. But that comes at a price; typically arrangement fees are around 2% and the cost of finance averages 1.25-2% **A MONTH**.

It is common for bridging lenders to deduct 6 months finance plus the arrangement fees from the loan amount ensuring they have their money upfront.

So assuming they lend you £100,000 with an arrangement fee of 2% and a cost of 1.5% a month the actual advance will be:-

$$\text{£100,000} - \text{£2,000} - \text{£9,000} = \text{£93,000}.$$

Prior to the credit crunch some bridging lenders would happily lend against the open market value of the property but this is very rare these days and you can expect a typical loan to be around 70% of your purchase price or the 90 day value where no purchase is being made.

(90 day value is where a valuer or lender determines the price that a property would sell for if it had to be sold in 90 days or less; this is typically 10-20% below the likely open market sale value via an estate agent.)

While some bridging lenders will consider the open market value they will usually lend off the lower of the two; for example one lender will lend off 70% of the open market value or 80% of purchase price whichever is the **lower**.

If your purchase price is £80,000 and the value is £150,000 they will still only lend £64,000.

It is however possible to obtain bridging finance against the open market value though rates and terms are usually a little stricter and you will nearly always still need to put in some of your own money.

100% bridging finance is also available by using an additional property as security. If you have another property that is very low geared or better still unencumbered (has no loan or mortgage on it at all) it is possible to obtain 100% funding by bridging across the two. This is an excellent way of obtaining high levels of finance for property trading and refurbishment deals.

Many investors complain about the cost of bridging finance but it is actually pretty much the same cost as it was prior to the credit crunch, it was just that few investors used it so were not aware of how to factor it into their deals.

Unfortunately many investors still work out their profits based upon the old ways of using buy to let finance to make their money which is and was simply unrealistic. Now they have to work off the true cost of finance they find that their deals no longer have the same profit margins and blame the cost of bridging. It has to be remembered that it is very flexible finance and that comes at cost.

Most bridging lenders are unregulated; this means that they cannot lend on a property occupied by the borrower. There are however some regulated lenders so it's important to speak to your broker as to what your requirements are.

I would always recommend using a broker for arranging bridging finance; because it is an unregulated arena there are unfortunately a lot of bridging scams around. Be very wary of anything involving **upfront** arrangement fees, broker fees or rates below 1%. These are teaser rates designed to get you on the phone and paying those upfront fees and then the money will rarely materialise.

We do not charge broker fees for arranging bridging for our clients, thoroughly check out any of the bridging lenders we use and arrangement fees are deducted from the loan meaning you only pay once you have your money.

OTHER CONSIDERATIONS

6 MONTH RULE

You may come across investors talking about the '6 month rule' and how this has affected their ability to buy property and in particular trade property.

This is not a rule per se; the Council of Mortgage lenders (CML) produces a list of guidelines to be followed by their members (94% of residential lenders) and those who act for them such as surveyors, conveyancers, mortgage brokers etc.

One of the conveyancing guidelines is that the lender should be informed if the **seller** has owned the property for less than 6 months.

This is not new it is just that in the past lenders were less concerned about this being an issue but when the credit crunch hit it was an area they felt needed tightening up. As such if the seller has owned the property for less than 6 months it is almost impossible to secure a buy to let mortgage on the property.

For example if you buy a property at auction that someone has quickly bought and resold or if you buy a property from a developer who has refurbished it you are going to find it extremely hard if not impossible to finance that property if the seller has owned it for less than six months.

If you are developing property or trading property to sell you too will find it hard to be able to sell on the property in less than 6 months. Even when selling to ordinary homebuyers this is an issue as lenders are still reticent to lend on properties owned for a short period of time.

The problem is not the guideline itself it is the fact that being a guideline and not a rule lenders are applying it indiscriminately particularly in the residential lending market. This means that you may have a willing buyer, they may have a mortgage approved and the sales process is fully underway only to find right at the last minute the lender refuses to lend.

In buy to let some lenders will lend against the sellers original purchase price or allow cost of any works in addition but generally this is still unpalatable for those involved. It is far better to simply account for 6 months to resell a property in the current marketplace and ensure you have factored in your cost of finance accordingly.

Other than the refurbishment mortgages where you need to drawdown in less than 3 months and the odd exception generally the 6 month guideline also applies to remortgaging and further advances so if you have purchased a discounted property or carried out works then you will have to wait at least 6 months before being considered. Some lenders may insist upon longer and especially with new build property it can be as much as 1-3 years before remortgaging is allowed.

NO MONEY DOWN

I do not want to go into great detail here about this. Simply know that there is not a single no money down strategy available that does not involve non-disclosure to the lender of your **actual** purchase price. Non disclosure is mortgage fraud it is as simple as that. If you would like to receive my article on No Money Down and mortgage fraud please contact me.

TRADING

Trading property is where you buy to sell to make a short term profit rather than buy and hold and rent for the longer term.

I strongly recommend that property investors sell property on a regular basis to keep their funds liquid. If you don't sell you will soon run out of cash and not be able to continue to grow your portfolio. However funding property trading is a lot harder than it once was.

Before the credit crunch investors typically used buy to let finance to trade properties and there were also a lot of cash rich investors willing to put money into property deals. The credit crunch and property price falls have meant many investors have turned away from property and current product offerings make it very hard to use them to trade property.

The reality is that in order to trade you need to take a longer term view (12 months plus) if you wish to use buy to let finance or alternatively use cash or bridging finance.

SUMMARY

Are lenders lending?

Absolutely!

I am constantly surprised by how many calls I get from property investors who are perfectly mortgagable who have been told by some *guru* or other that no one can get a buy to let mortgage at the moment. Frankly a lot of times those telling these stories are unmortgagable themselves or are flogging some alternative strategy such as lease options. If the punter thinks they aren't mortgagable then they will pay far more to learn how to obtain properties in some other way. It also makes the *guru* feel better if they think it's not just them who isn't mortgagable!

It takes 15 minutes to determine if you're mortgagable so speak to a broker now and find out the truth.

I've mentioned the credit crunch a few times throughout this report as it shouldn't be underestimated how much the industry has been decimated as a result. Many lenders disappeared or stopped lending on buy to let properties altogether, the number of products dropped by as much as 90% at one stage and over 65% of mortgage brokers have left the industry. But it is not all doom and gloom. There are some innovative products available, those lenders who have remained are very keen to lend and don't knock having the entire pool to yourself!

You can see just in this brief report that there is a huge variety of finance options available. It goes without saying that I would recommend speaking to and using a mortgage broker but what can they actually do for you?

- They should know the whole of market if they are independent and regulated by the FSA (your bank advisors can only advise on their own products, unregulated advisors can only advise on a limited range of products)
- They can get access to special deals that the public can't
- Many buy to let lenders only offer products via brokers and don't deal direct with the public
- They can help you through the maze of lenders terms and conditions
- They can help you assess each deal and ensure you use the right product for what you are trying to achieve
- They can take care of all of the administration, application, paperwork and chasing of lenders while you carry on doing what you do
- They should save you far more money in time, effort and product choice than it costs to use them
- They should have a deep understanding of buy to let investment and ideally be a property investor themselves

If your broker isn't all of the above and more than get in touch; because we certainly are!

If you would like to find out what we can do for you please just contact us using any of the details below. We would be delighted to refer you to any of our existing and past clients if you would like to speak to them about how we have assisted them and the level and quality of our services.

Keys Mortgages, owned by experienced and well known property investor, [Lisa Orme](#), can assist with all types of finance including buy to let, commercial, bridging, development and residential as well as offering a range of insurance and protection services tailored to property investors.

Whether you're new to property investment or an experienced investor Lisa will tailor her service to your exact needs, offering you as much assistance as you need and a first class service.

For more information please visit the Keys website at www.keys-mortgages.com

*call Lisa on **024 7617 0096** or email lisa@keys-mortgages.com*

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Think carefully before securing other debts against your home.

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