

Product Guide

Buy to let mortgages

Smarter. Faster. Simpler.

Correct as at: 7 November 2024

Welcome to ModaMortgages

We're a specialist mortgage lender making buy to let smarter, faster and simpler for brokers and landlords.

All our processes are designed to help you, and we're 100% dedicated to the intermediary market with a willingness to lend thanks to our diverse and secure funding model.

Our personalised application process is stripped back to the essentials, offering speed of service, saving time for everyone. With clear criteria up front and a 100% online application, we consistently offer quick processing, backed by a dedicated, straight-talking support team.

That means you can always stay on top of cases and keep your clients up-to-speed too.

Our mortgages

Competitive mortgages for a variety of landlords

Our products are underpinned by clear criteria with no surprises, so you'll always know where you stand.



Support for a range of landlords and property types

Small or large portfolios, limited companies, individuals, first-time buyers and first-time landlords.



More certainty earlier

Quick and consistent decisions with our instant DIP, plus our buy to let calculator includes a background portfolio check.



100% online

Our simple online application process will speed you up, not slow you down.



Excellent service delivery on each case

We know your time is precious, so our broker support team is here when you need them through live chat or on the phone.

Criteria highlights:

- **Provide up to 75% LTV**
- **No minimum income for loans less than £1m*** – Applicants can be employed, self-employed, contractors or receiving pension income. *Minimum income for first-time buyers is £30,000 per annum.
- **Top slicing gives more affordability options** – Top slicing available for non first-time buyer prime borrowers.
- **Accept a range of property types** – Including houses, flats, new builds, HMOs (up to 6 bedrooms) and MUFBs (up to 6 units).
- **£ for £ remortgages** – Assessed at pay rate, helping your clients with affordability constraints on short-term fixed rate products.
- **We value the experience of portfolio landlords** – No extra forms to fill in, just a few additional questions in the application to ensure we fully understand your client.

Top slicing

Providing flexibility for your client to use their income to top up a rental shortfall.

We pride ourselves on having a smarter, faster, simpler approach to lending, applying common sense to help brokers help their clients.

One of the ways we demonstrate this is by allowing a borrower to use surplus disposable earned income to 'top up' a rental shortfall if the rental income generated by the property is insufficient to meet the minimum rental cover requirement.

This gives your clients more flexibility around the amount they can borrow.



Additional information

- Top slicing is available across all buy to let products, including limited company applications.
- Top slicing is available to all prime customers.
- The interest coverage ratio based on rental income only must be a minimum of 110% when calculated using the pay rate of the selected product.
- The repayment method must be interest only.
- Proof of earned income is required.
- Not available on first-time buyer applications.



Use our buy to let calculator to determine the rental coverage required or if surplus income can be used.

→ [Launch calculator](#)

One simple product range

All products available for all landlords and property types.

From single dwellings to HMOs and MUFBs with up to 6 bedrooms or units, and single property personal ownership to large portfolio limited companies, our simple range covers all bases.

Lifetime trackers

LTV	Initial rate	Product fee	Loan amounts	Features	Reversion rate	ERCs	Stress rate*	Product code
75%	BBR + 0.69%	5.50%	Minimum £25,000 Maximum £2m	Free valuation No application fee	N/A	No ERC	7.69%	BTL001-061124
	BBR + 2.19%	2.50%					9.19%	BTL002-061124

2 year fixed rates

LTV	Initial rate	Product fee	Loan amounts	Features	Reversion rate	ERCs	Stress rate*	Product code
55%	3.84%	5.50%	Minimum £25,000 Maximum £2m	Free valuation No application fee	BBR + 4.99%	3% year 1 2% year 2	5.84%	BTL003-061124
	5.34%	2.50%					7.34%	BTL004-061124
65%	3.94%	5.50%	Minimum £25,000 Maximum £2m	Free valuation No application fee	BBR + 4.99%	3% year 1 2% year 2	5.94%	BTL005-061124
	5.44%	2.50%					7.44%	BTL006-061124
75%	4.04%	5.50%	Minimum £25,000 Maximum £2m	Free valuation No application fee	BBR + 4.99%	3% year 1 2% year 2	6.04%	BTL007-061124
	5.54%	2.50%					7.54%	BTL008-061124

* £ for £ remortgages will have a stress/assessment rate calculated at the initial pay rate.

Maximum LTV (based on net loan amount)

- Loans between £25,000 and £1m: Maximum 75%
- Loans between £1m and £2m: Maximum 70%



Don't forget to use our handy online calculator at modamortgages/products. Each product links to our calculator allowing you to easily refine your search.

→ [Launch calculator](#)

5 year fixed rates

LTV	Initial rate	Product fee	Loan amounts	Features	Reversion rate	ERCs	Stress rate*	Product code
55%	5.19%	5.50%	Minimum £25,000 Maximum £2m	Free valuation No application fee	BBR + 4.99%	5% year 1 5% year 2 4% year 3 4% year 4 3% year 5	5.19%	BTL009-061124
	5.79%	2.50%					5.79%	BTL010-061124
	5.99%	£4,999	Minimum £300,000 Maximum £750,000				5.99%	BTL011-061124
	6.29%	£1,999	Minimum £25,000 Maximum £300,000				6.29%	BTL012-061124
65%	5.29%	5.50%	Minimum £25,000 Maximum £2m	Free valuation No application fee	BBR + 4.99%	5% year 1 5% year 2 4% year 3 4% year 4 3% year 5	5.29%	BTL013-061124
	5.89%	2.50%					5.89%	BTL014-061124
	6.09%	£4,999	Minimum £300,000 Maximum £750,000				6.09%	BTL015-061124
	6.39%	£1,999	Minimum £25,000 Maximum £300,000				6.39%	BTL016-061124
75%	5.39%	5.50%	Minimum £25,000 Maximum £2m	Free valuation No application fee	BBR + 4.99%	5% year 1 5% year 2 4% year 3 4% year 4 3% year 5	5.39%	BTL017-061124
	5.99%	2.50%					5.99%	BTL018-061124
	6.19%	£4,999	Minimum £300,000 Maximum £750,000				6.19%	BTL019-061124
	6.49%	£1,999	Minimum £25,000 Maximum £300,000				6.49%	BTL020-061124

* £ for £ remortgages will have a stress/assessment rate calculated at the initial pay rate.

Maximum LTV (based on net loan amount)

- Loans between £25,000 and £1m: Maximum 75%
- Loans between £1m and £2m: Maximum 70%



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Criteria highlights:

Applicant criteria

Applicant profile	Personal ownership	Limited company
Minimum age	21. 18 is acceptable where the principal applicant is aged 21+.	
Maximum age	85 at the end of the mortgage term	
Maximum number of applicants	2	4
First-time buyers	Yes. The principal applicant must have a minimum income of £30,000.	

Maximum allowable adverse

We'll verify any information relating to adverse credit on the individuals' credit bureau record and in the case of limited company applications, the commercial bureau record. The below criteria apply to both.

Allowable adverse: Consumer	Prime	Non-prime (maximum advance £1m)
Bankruptcy	Nil	Nil
Individual Voluntary Arrangement (IVA)	Nil	Nil
Active Debt Management Plan	Nil	Nil
Repossession/secured default	Nil	Nil
County Court Judgment (CCJ)	Nil	0 in 24 months, 1 in 36 months
Defaults	Nil	0 in 12 months, 2 in 24 months
Missed mortgage/secured loan repayments	Nil	0 in 12 months, worst status of 1 in 36 months
Missed unsecured loans/products	Worst status of 1 in 12 months, 2 in 36 months	Worst status of 1 in 12 months, 3 in 36 months
Active Payment Arrangements	Nil	Nil

Maximum allowable adverse: Limited company

Allowable adverse: Commercial

Derogatory item	Nil
Active Debt Management Plan	Nil
Repossession/secured default	Nil
County Court Judgment (CCJ)	0 in 24 months, 1 in 36 months
Defaults	0 in 12 months, 2 in 24 months
Missed mortgage/secured loan repayments	0 in 12 months
Missed unsecured loans/product repayments	0 in 12 months
Active Payment Arrangements	Nil

Additional exclusions: borrowers currently in arrears or have historically defaulted on a product supplied by any other Chetwood Financial Limited brand.

Affordability

Interest coverage ratio (ICR)

The minimum amount of rental cover (ICR) is dependent on the borrower's income tax band (highest tax band on joint applications) at the rates shown below:

Tax band*	ICR rate
Basic rate	125%
Higher and additional rate	140%
Limited companies	125%

*The customer's tax band should be based on all validated current income plus gross rental income (excluding any deductions) from all rental properties, including the security. Please refer to our online buy to let calculator for further guidance.

The interest rate used in the ICR calculation is determined by the chosen product as follows:

- 5 year fixed rates assessed at product rate.
- Variable rates or short-term fixed rates assessed at product rate plus 2%. Minimum 5.50%.
- Where the borrower is remortgaging an existing buy to let loan without additional capital raising, then the ICR can be calculated using the product rate.

Where more than the rental income is needed to meet the minimum rental cover requirements, we may reduce the loan amount accordingly.

Top slicing

- Where the property rental income alone is insufficient to meet the minimum ICR requirement borrowers can use surplus disposable earned income to supplement the rental shortfall.
- Proof of earned income is required.
- To qualify for top slicing, the property must achieve a minimum ICR of 110% when calculated using the pay rate of the selected product.
- Top slicing is available across all buy to let products, including limited company applications.
- Not available on first-time buyer applications.
- Top slicing is only available to prime customers.
- The repayment method must be interest only.

Portfolio landlords

A portfolio landlord is a borrower with four or more distinct mortgaged buy to let properties (or has three, plus one pending purchase application with ModaMortgages).

The following should be included in the number of properties a portfolio landlord holds:

- All mortgaged buy to let properties owned by the applicant, whether jointly, in their sole name or by a company of which they're a director or shareholder.
- Any property owned on a residential basis with consent to let
- If the application is for a limited company, properties owned by the company's directors and shareholders, or owned by other companies of which the directors/shareholders are a shareholder or director.

As part of our underwriting process, we'll assess an applicant's portfolio based on their circumstances and consider the impact of future interest rate increases. ICR and LTV requirements are as follows:

	Personal ownership	Limited company
Minimum portfolio ICR% @ 5%	140%	125%
Maximum portfolio LTVs	80%	80%

Portfolio lending limits

- Aggregated buy to let exposure (with ModaMortgages): £5m.
- Maximum buy to let portfolio size (with ModaMortgages): 20 loans.
- Maximum buy to let portfolio size (external): Unlimited.

Placing business

We'll get you from DIP to completion smarter, faster and more simply in six easy steps.

With our 100% online processes and specialist case handlers, you can be confident that we'll save you time and impress your clients along the way.

You can submit a buy to let mortgage case through one of our approved packagers. We'll be opening further submission routes and appointing additional mortgage clubs and networks in due course.

1

Submit a Decision in Principle (DIP)

Our streamlined forms only ask you for essential information, saving you time and giving you a decision you can count on.

2

Move to full mortgage application

If you're happy with the DIP, convert it to a full mortgage application at the click of a button. Our handy submission checklist on the following page shows all the documents we need you to submit to get started.

3

Underwriting

Our team of specialists will review your case quickly. Our case managers will contact you if we require any further documentation or information. If you need to speak to us, we're at the end of the phone.

4

Valuation

To speed the process up we'll complete a desktop valuation for remortgage applications on standard properties that meet our eligibility criteria. If there's any reason we can't complete a desktop valuation we'll let you know there and then. If we need to complete a physical valuation, our team will instruct this for you.

5

Offer

Once we're happy that everything's in order, we'll send the mortgage offer to you by email. You'll also find a copy in the broker portal as well.

6

Completion

Once funds have been transferred, the case is complete - our servicing team will welcome your client to ModaMortgages. We aim to get procurement fees paid within two working days of completion.

Submission checklist

If you have any questions about submitting a case, please contact our sales team.

Documents required	Loan requirements		Landlord type					
			Portfolio landlord			Non-portfolio landlords		
	More than £1m	Using top slicing	Limited company	Prime personal ownership	Non-prime personal ownership	Limited company	Non-prime personal ownership	First-time buyer
P60: Must be most recent		✓ Latest						
Payslips: Must be most recent	✓ 1 month	✓ 3 months						✓ 1 month
Bank statements: Most recent and must show salary or pension credits, residential mortgage or rental payments, personal expenses and any rental credits and, where applicable portfolio cashflow	✓ 3 months		✓ 3 months	✓ 1 month	✓ 3 months	✓ 3 months	✓ 3 months	✓ 3 months
Self-employed proof of income: Most recent SA302 or tax calculations with corresponding tax year overview, or accounts	✓ 1 year	✓ 2 years						✓ 1 year
Proof of pension income: Most recent pension slip, annual pension statement or P60	✓	✓						✓
Background portfolio details: Can be keyed directly or uploaded using our portfolio template			✓	✓	✓			
Proof of deposit	✓							✓

We may ask you to provide additional documents. This could include, but is not limited to:

When required	Document required
If the applicant fails electronic ID checks	Certified proof of name and/or proof of current address dated within the last 3 months. Refer to our Anti-Money Laundering Guidelines for certification requirements and acceptable documents
If the applicant is a non-UK national	Proof of the right to reside in the UK
If an applicant's mortgage conduct is not visible on the credit search	We may request bank statements and/or a mortgage statement evidencing the previous 12 months payment history
If the deposit is gifted from a family member	Completed ModaMortgages gifted deposit form
If the deposit source is an intercompany loan	Signed intercompany loan agreement

We reserve the right to request additional documentation not listed above during underwriting.

Submission routes

	<p>3MC Altrincham Business Park, 6 St George's Ct, Broadheath, Altrincham WA14 5UA 0161 962 7800 info@3-mc.com</p>	www.3-mc.com
	<p>Brightstar Business Park, Unit 7 Lake Meadows, Woodbrook Cres, Billericay CM12 0EQ 01277 500900 helpdesk@brightstarfinancial.co.uk</p>	www.brightstarfinancial.co.uk
	<p>Brilliant Solutions Suite A, 2nd Floor, 11-12, Wind St, Swansea SA1 1DP 01792 277555 enquiries@brilliant-group.co.uk</p>	www.brilliantsolutions.co.uk
	<p>Complete FS LTD Compass Point, Ensign Way, Hamble-le-Rice, Southampton SO31 4RA 023 8045 6999 enquiries@complete-fs.co.uk</p>	www.complete-fs.co.uk
	<p>Connect 39 Station Ln, Hornchurch RM12 6JL 01708 676111 enquiries@connectmortgages.co.uk</p>	www.connectmortgages.co.uk
	<p>Crystal Specialist Finance Unit A, Ventura House, Ventura Park Rd, Tamworth B78 3LZ 01827 301070 info@crystalsf.com</p>	www.crystalsf.com
	<p>Dynamo Watchmoor Park, Building Eight, Camberley GU15 3YL 0800 170 1888 info@dynamo.co.uk</p>	www.dynamo.co.uk
	<p>Impact Specialist Finance Impact Specialist Finance, 20 Barttelot Rd, Horsham RH12 1DQ 01403 272625 info@impactsf.co.uk</p>	www.impactsf.co.uk
	<p>Mortgage Finance Brokers 17 Kings Hill Avenue, Kings Hill, West Malling ME19 4UA enquiry@mfbrokers.co.uk</p>	www.mfbrokers.co.uk
	<p>Sirius Financial Dawson House, 5 Jewry Street, London EC3N 2EX 020 80924444 info@siriusfinance.co.uk</p>	www.siriusfinance.co.uk
	<p>The Buy to Let Broker Jubilee Lodge, Canning Road, Southport PR9 7SW 0330 173 8421 enquiries@thebuytoletbroker.co.uk</p>	www.thebuytoletbroker.co.uk

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We can provide this document in large print, Braille and audiotape.
Please ask us for an alternative format if you need it.

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