

HSBC UK

Useful Guide



Interest only

August 2024

Why choose HSBC UK?

- New LTV limits
- Mix of repayment plans accepted
- No minimum value of equity required (subject to maximum permitted LTV)
- Fully funded repayment plan in place? We can assess on Interest Only basis
- Non fully funded repayment plan in place and / or Part and Part? We will assess on Capital Repayment basis.

Criteria

- Minimum sole income - £75,000 (for joint applicants, one applicant must meet the sole minimum income criteria. Minimum income excludes bonus, commission, overtime and rental income) Please refer to eligible income section below
- Maximum overall LTV 85% for Part and Part cases – subject to policy / lending limits
- Term - minimum 5 years, maximum 25 years
- Maximum age:
 - 75 with a fully funded repayment plan in place
 - 70 (or declared retirement age if lower) where the repayment plan is not fully funded.

Eligible income sources

- Employed income - basic + fixed allowances (excluding bonus, commission, overtime and rental income)
- Self-employed income - Note: net profit + director's salary for Limited Companies
- Pension
- Benefit income
- Investments.

New LTV limits

Purchase, Remortgage like for like, and Remortgage on Interest Only with Additional borrowing on Capital Repayment:

LTV and loan size limits – Houses*

Loan amount	Capital Repayment	Interest Only	Part & Part Top up
Up to £570,000 (Purchases)	95%	75%	N/A
£570,000 to £750,000	90%	75%	N/A
£750,000 to £2 million	85%	75%	10%
£2 million to £3 million	75%	65%	10%
Over £3 million	70%	50%	20%

LTV and loan size limits (Interest Only) additional borrowing / unencumbered remortgages) – Houses*

Loan amount	Interest Only	Part & Part Top up
Up to £750,000	60%	25%
£750,000 to £2 million	60%	25%
£2 million to £3 million	60%	15%
Over £3 million	50%	20%

LTV and loan size limits – Flats*

Loan amount	Capital Repayment	Interest Only	Part & Part Top up
Up to £750,000	90%	75%	N/A
£750,000 to £1million	85%	75%	10%
£1 million to £2 million	75%	75%	N/A
£2 million to £3 million	75%	65%	10%
Over £3 million	70%	50%	20%

LTV and loan size limits (Interest Only) additional borrowing / unencumbered remortgages) – Flats*

Loan amount	Interest Only	Part & Part Top up
Up to £1 million	60%	25%
£1 million to £3million	60%	15%
Over £3 million	50%	20%

Acceptable repayment plans	We are unable to accept the following as a suitable repayment plan
<ul style="list-style-type: none"> ▪ Ad-hoc capital (lending is capped at 50% LTV) ▪ Savings ▪ Endowments ▪ Stocks & Shares ISA ▪ Investments ▪ Sale of other property 	<ul style="list-style-type: none"> ▪ Sale of current or planned main residence at the end of the term ▪ Sale of the mortgaged property (for residential applications) ▪ Sale of commercial or overseas property ▪ Lump sum from a personal or occupational pension scheme

Affordability calculator – Using ad-hoc capital or Part and Part applications

Deposit Amount: (If applicable) ?

Loan Amount: (If applicable) ?

Property Value: (If applicable) ?

The required mortgage term(s) (in years): ?

Assess On Interest Only Basis: ?

Property Postcode ?

DIP / Application – Ad-hoc capital as repayment plan (monthly figure to be included as per below)

Household expenditure

Please note fields marked * require an entry

Please enter the applicants anticipated future outgoings as accurately as possible and use the other outgoings section for anything that doesn't fit into the supplied categories. Please do not include council tax, utilities, food and cleaning products, buildings insurance, pension, lifestyle, broadband, TV Licence, telephone or mobile expenditure as this has been accounted for.

Any inaccuracies or undisclosed information may affect the mortgage application. Where payment is made annually, divide by 12.

If this is a joint application, please make sure you only enter shared details once. The help icons explain what should be included in each section.

Monthly costs

Payment to fund repayment strategy for interest only mortgage

Ground rent / service charge

Travel costs

Child maintenance ?

Affordability calculator – Fully funded repayment strategy

Deposit Amount: (If applicable) ?

Loan Amount: (If applicable) ?

Property Value: (If applicable) ?

The required mortgage term(s) (in years): ?

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Assess On Interest Only Basis: ?

 ▼

Property Postcode ?

Interest only repayment plan documentation

For a list of documentation required to evidence the repayment plan, please click [here](#).

Further information

[Chat with us](#), call our Broker Support Team on 0345 600 5847 (Monday to Friday, 9am to 5pm) or contact your [local BDM](#).