

HSBC UK

Useful Guide



International Buy to let (BTL)

May 2024

Why choose HSBC UK?

- BTL mortgages now available to overseas clients, subject to meeting criteria
- Income can be in a foreign currency, refer to [Foreign Currency Matrix](#) for acceptable currencies
- Minimum Loan Amount £25,000, Additional Borrowing £10,000
- Minimum term 5 years up to a maximum 40 years
- Can be on interest only or capital repayment basis
- Maximum of 15 acres of land considered.

Buy to let basics

- Applications are assessed on a Rental Funded basis
- Rental income must cover 145% (assumed higher rate tax payers)
- Stress rates:

Loan type	Stressed rate
All applications on a 5 year fixed rate	Product rate + 1.15% or 4.65% (whichever is higher)
Like for like remortgage on a 2 year fixed rate	Product rate + 1.4% or 5.15% (whichever is higher)
All other applications on a 2 year fixed rate	Product rate + 2.15% or 5.65% (whichever is higher)
All applications on a Tracker rate	Product rate + 2.15% or 5.65% (whichever is higher)

- Applications can be completed for Purchase, Remortgage, Unencumbered remortgage, Additional borrowing, Porting or Product switches. No debt consolidation is permitted.
- For new borrowing, a procurement fee of 0.5% will be paid upon completion. For a product switch, a procurement fee of 0.2% will be paid after the switch date.
- Our [BTL calculator](#) can be used to determine if your customer's rental income is sufficient for a BTL mortgage.

Buy to let eligibility

- The customer must be resident in an approved country
- Applicant(s) must be able to speak proficient English*
- Mortgage payments to be funded by rental income
- No more than 3 UK BTL mortgaged properties can be held at any one time
- We do not accept applications where we consider the applicant to be a [portfolio landlord](#)
- We no longer have a professional landlord policy for BTL applications however, we will cap at £2m overall BTL borrowing held with HSBC UK
- At least one applicant must have a minimum basic income of £75,000 per year (excluding variable pay and all rental income)
- The property must only be let under an Assured Shorthold Tenancy where the rental income is less than or equal to GBP100,000 per annum for a maximum period of three years (England), a Standard Contract (Wales), a non-rent controlled tenancy for a maximum period of three years or a non-rent controlled residential letting to a company which permits occupation of the property by an employee of the company tenant and has a maximum term of 12 months (Northern Ireland), or a company let agreement (England and Wales) for a maximum period of 12 months
- Properties located in Scotland can be let under a private residential tenancy
- Company let agreements which permits occupation of the property by an employee of the company tenant and has a maximum term of 12 months are acceptable in England and Wales, but not acceptable for properties located in Scotland (regardless of where the company is incorporated).
- Maximum LTV amounts as follows:
 - 75% LTV for borrowing up to £1,000,000
 - 60% LTV borrowing from £1,000,001 to £2,000,000
- The property is not a House in Multiple Occupation (HMO)
- A valid and up-to-date Energy Performance Certificate (EPC) is required, with a minimal acceptable rating of E or above. A rating of F or G will deem the property unsuitable for mortgage lending

To find out more about our lending criteria and customer eligibility, please visit our [BTL lending criteria](#) page.

*Accompaniment is available where required.

Documentation Requirements

Proof of Income

Employed

- 3 months payslips

Self-employed

- Latest tax calculation / tax year overview or accounts, must be dated with 18 months
- 3 months bank statements – All current accounts

International credit report

- Current address, and if there 6 months or less, previous address
- Proof of deposit being own funds, (if applicable)
- ID & Proof of Address

Please refer to the [Buy to Let Evidential Documents matrix](#) for further information.

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](#).