

# HSBC UK Criteria Bulletin

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## Overseas customers

January 2022

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UK and Foreign Nationals who are not UK residents but are resident in an approved country can apply for a residential mortgage in the UK for their personal or family use.

### The following criteria applies:

For all international applications, a Credit Bureau report, dated within the last 90 days, is required:

- for customers living at their current address for less than 6 months, a report is required based on their previous address.
- for customers living at their current address for more than 6 months, a report is required based on their current address.

Please note, where a Credit Bureau report is not available or not issued for that country, lending is restricted to existing customers only. An existing customer is defined as a customer who has an existing HSBC Group relationship with:

- a balance greater than GBP1,000, which has been open six months or longer; or
- a salary-fed HSBC Group bank account, which has been open six months or longer
- They must evidence a minimum income of £75,000 per annum (excluding bonus, commission and overtime). For joint applications at least one applicant must meet this criteria.
- Maximum LTV of 75% for mortgage borrowing and additional lending (including fees).
- Additional lending cannot be used for debt consolidation.
- Deposit is funded from the customer's own resources. Gifts and builder's cash backs are not acceptable, unless they are in addition to the 25% deposit provided from the applicants own resources.
- They must hold a UK bank account to service the mortgage.
- Customer must reside in one of the approved countries (see below)

## Exceptions:

If the customer meets the following criteria, applications can be submitted outside of the policy below:

- The customer is in the British Armed Forces
- The customer is a UK national/foreign national with indefinite leave to remain/enter in the UK, and is relocating/moving back to the UK within 6 months of the application. Subject to underwriter review.
- The customer is a UK national, classes themselves as living in the UK and we are satisfied they meet the following:
  - working overseas on a temporary or short-term basis - these customers will have an end date and will be returning to the UK. The end date must be evidenced within the evidential documentation provided or;
  - travels as part of their job or;
  - is working and living overseas on a regular basis or part-time basis e.g. place of work is based overseas.

## Foreign currency income:

We accept foreign currency income. You must make your customers aware of the risks of potential exchange rate fluctuations and an example of the potential impact of 20% exchange rate fluctuation will be provided in the Illustration. HSBC will notify the customer of the potential impact of an exchange rate fluctuation if there is an adverse fluctuation of more than 20%.

If the customer lives in a foreign country or is paid in a foreign currency this needs to be captured. For any foreign currency values other than GBP, the amount should be converted using an appropriate currency conversion tool and input as GBP in the application.

Foreign currency income is subject to a Haircut within automated affordability calculations. For a list of acceptable foreign currencies and the percentage Haircuts please view our [foreign currency matrix](#).

## Approved countries:

Please refer to the [website](#) for country specific guidelines and requirements.

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| <ul style="list-style-type: none"><li>▪ Australia</li><li>▪ Guernsey</li><li>▪ Hong Kong</li><li>▪ Isle of Man</li><li>▪ Jersey</li></ul> | <ul style="list-style-type: none"><li>▪ Singapore</li><li>▪ Switzerland</li><li>▪ United Arab Emirates</li><li>▪ United States</li></ul> |
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## Documentation required:

### Proof of income – Employed

- The latest three months' worth of payslips must be provided

### Proof of income – Self-employed

- 2 years' tax documents – country specific OR
- 2 years' financial accounts – signed by an accountant
- Business Bank Statements – The latest three months' worth of business bank statements, including the monthly summary sheet detailing the total credits and debits (or personal account statements if used for business purposes) of which the latest statement must be dated within 35 days of the application.

Additional supporting evidence/documentation is required depending on the type of self-employment. Full details of the requirements are available on our [broker website](#).

### Proof of expenditure

- The latest three months' personal bank statements – all current accounts UK & non UK
- Latest credit card statement(s) for all UK & overseas accounts
- Latest mortgage statement(s)

### ID & Address

- Documentation will be required for all Overseas customers

### Credit Reference Agency Report

- Customer(s) who have lived in the UK less than 12 months must provide a Credit Reference Agency report.

### Proof of deposit

- Evidence of the 25% deposit from own funds will be required

### Case summary

Please provide a case summary for the underwriter to confirm details of the case:

- Why they are buying the property?
- Who will occupy the property and how often?
- Current living costs in their country of residence
- Changes expected to the income/expenditure

### Translation of documents

- We will only accept document translations from a UK based translation company, provided we can verify via their website. When submitting the foreign language documents please provide the English translations as well as the original documents.

## Processing:

### Affordability calculator

- You should calculate the income in GBP and apply the Haircut

### DIP/Application

- Please enter full GBP income as the system will apply the Haircut based on the Country/Currency selected.