

# HSBC UK Criteria Bulletin

## Reasons to use HSBC UK

May 2022



HSBC UK is the natural choice for mortgage brokers. In a competitive mortgage market, here are some of the reasons to use HSBC UK that will enable you to add value to your customers and possibly turn their dreams into a brilliant reality.

### Maximising borrowing

- ◆ Income multiples - no differentiation between borrower types or loan sizes

LTV	Joint income	Max LTI
<=80%	<£50,000	4.49
	>=£50,000 to <£100,000	4.75
	>=£100,000	5.50
>80%	N/A	4.49

- ◆ 100% of guaranteed allowances and up to 100% of additional income. Please see the [Evidential Document](#) and [Income and Allowance](#) matrices
- ◆ 100% of additional jobs and pensions
- ◆ Limited Company Directors - Salary and Share of Net Profit after Corporation Tax (2 year average or latest if lower)
- ◆ 100% of gross BTL rental income can be used - subject to criteria being met
- ◆ A number of Foreign Currencies accepted - for all income types and based on live exchange rates

All information correct as at 17<sup>th</sup> May 2022.

For Intermediary use only.

## Affordability calculator

- ◆ You can find out how much your customer may be able to borrow with our quick and easy to use '[Affordability Calculator](#)'. You must complete a DIP to receive an accurate affordability amount.

## Products

- ◆ Market leading products across our full mortgage product ranges
- ◆ Free day one valuation instructed
- ◆ All offers are valid for 180 days
- ◆ Minimum term 5 years. Maximum term is 35 years for Purchase/Remortgage, 30 years for Capital Raising, 25 years for Interest Only

## New employment

- ◆ No minimum time in employment - first payslip and contract required
- ◆ Future start date employment accepted within 3 months of application date and less than 20% increase in salary
- ◆ Probationary periods accepted subject to a copy of the contract of employment confirming whether a permanent or temporary contract is held

## Property

- ◆ AVMs/DVMs attempted up to 85% LTV, AVMs max 80% LTV for remortgages
- ◆ Non-standard construction types (i.e. concrete, timber-framed) up to 80% LTV
- ◆ Ex-local authority up to 80% LTV (75% private ownership required)
- ◆ No high rise limit - lift required over 4 floors
- ◆ Studio flats
- ◆ Short leases - minimum of 30 years at the end of term and subject to the valuers opinion
- ◆ New build houses up to 85% LTV, flats up to 80% LTV

## Capital Raising

Purpose:	LTV *
Debt Consolidation (max. £50K)	80%
Home Improvements	90%
Buying out of Shared Equity	90%
Repaying Gifted Deposit	85%
Business Purposes	75%

\*Additional loan part required for capital raising

\*Maximum 60% LTV if on Interest Only

\*Maximum 75% LTV if Capital Repayment and any element of existing Interest Only borrowing

## Gifted deposits

- ◆ Gifts accepted from spouse, domestic partner, grandparent, parent, sibling, half sibling, aunt, uncle, cousin, in law relation or step relation confirming it's unconditional and not repayable. (Not accepted for Foreign Nationals or non UK residents).
- ◆ Gifts from overseas accepted
- ◆ Declarations of trust considered for joint applications

## Foreign nationals resident in the UK

Customers will be required to provide evidence of their status under the Settlement Scheme to support their mortgage application. This can be obtained from the GOV.UK website.

Settled status:

- For customers with Indefinite Leave to Remain, Indefinite Leave to Enter or Right of Abode, we will process applications subject to our standard residential lending criteria

Pre-settled status:

- For customers without Indefinite Leave to Remain, Indefinite Leave to Enter or Right of Abode, we will process applications if they meet our foreign national criteria. For more information see our [lending criteria](#)

## Overseas customers

- ◆ Residential mortgages available for UK and Non UK Nationals living overseas in an approved country
- ◆ Minimum income of £75,000 per annum for one applicant (not including variable or rental income), this can be employed or self-employed customers
- ◆ Maximum LTV of 75% for mortgage borrowing and additional lending

For more information see our [lending criteria](#).

## Further reasons to use HSBC UK

- ◆ Soft footprint credit search at DIP
- ◆ Change of Title considered within 6 months for Purchase and Re-mortgages
- ◆ 2<sup>nd</sup> Residential Properties - Purchase and remortgage up to 80% LTV
- ◆ No requirement for joint ownership for married couples
- ◆ Mortgage term available in Years and Months - maximising the affordability and term to retirement
- ◆ Base Rate Trackers - with no ERCs
- ◆ New Build - 5% cash incentives permitted without impact

## LTV and loan size limits

Loan Amount	Repayment	Interest Only
£500,000	95% (purchase only)	60%
£550,000	90%	60%
£750,000	85%	60%
£1 Million	80%	60%
£2 Million	75%	60%
Over £2 Million	65%	50%

## Further information

Contact us:

[Chat with us](#) / [Find your BDM](#) / **0345 600 5847**

[Lending Criteria](#)

[Packaging Requirements](#)