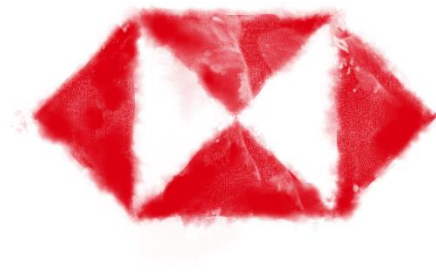


HSBC UK

Useful Guide



Reasons to use HSBC UK (Residential)

September 2024

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.

Products

- A full range of mortgage products including a cashback and international residential range
- Free day one valuation instructed
- All offers are valid for 180 days
- Minimum term 5 years. Maximum term is 40 years for Purchase / Remortgage / Capital Raising, Max 25 years Interest only.

LTV and loan size limits – Houses*

Loan amount	Capital Repayment	Interest Only	Part & Part Top up
Up to £570,000	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 – 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%

Maximising affordability

- Income multiples - no differentiation between borrower types or loan sizes
- Based on total income
- Includes variable pay and rental income

LTV	Joint income	Max LTI
85% or less	Less than £45,000	4.49
	£45,000 up to (but not including) £100,000	4.75
	£100,000 and above	5.50
Over 85%	All income	4.49

- Multiple jobs and income streams
- 100% of additional earned income (employed and self-employed)
- 100% of pension income
- 100% of allowances – if varying shift allowance (e.g. NHS staff) take 100% of 3-month average.

Variable pay

- Overtime, commission and bonus included
- 100% used for income multiples, 60% for affordability
- Monthly variable pay based on latest 3-month average not YTD or P60
- Not capped against basic salary.

Self-employed income

- Sole Trader / Partnerships / LLP's – no more than 200 partners**
 - Average of 2 years income or latest year if lower
- Limited companies**
 - Average of 2 years' salary and share of net profits, or latest year if lower
 - 25% shareholding or more applies
 - Less than 25% shareholding can also use net profit where required for affordability
- LLP's more than 200 Partners**
 - Letter from the finance director / accountant confirming the income for the last 2 years.

Foreign currency income accepted

- Several currencies and countries as a source of income accepted
- Haircut applies
- Exchange rate applied on day of application.

Rental income

- 100% of gross rental income included within income multiples
- SA100 (tax return) for Buy to let property rented over a year
- For Buy to let property rented out less than a year, AST and 1 months' bank statement dated within 35 days of the application submission date, to evidence rental income and mortgage payment
- ARLA letter for those being refinanced onto Let to buy / Buy to let mortgage (not Consent to let)
- Not available for Portfolio Landlords – more than 3 mortgaged UK Buy to let properties.

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.

Gifted deposits

- Gifts accepted from spouse, domestic partner, grandparent, parent, sibling, half sibling, aunt, uncle, cousin, in-law relation or step relation, confirming the gift is unconditional and not repayable (not accepted for foreign nationals or non-UK residents)
- Gifts from overseas accepted subject to checks
- Declarations of trust considered for joint applications
- Gifted deposits are not acceptable for foreign nationals, unless they are in addition to the 15% deposit provided from the applicant's own resources.

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.

- For customers with Settled status, Indefinite Leave to Remain, Indefinite Leave to Enter, Right of Abode, Republic of Ireland National, holder of a Republic of Ireland passport or were granted a Pre-settled Status under the EU Settlement Scheme, we will process applications submitted to our standard residential lending criteria.

- For customers without Indefinite Leave to Remain, Indefinite Leave to Enter, Right of Abode or no Pre-settled status, we will process applications if they meet our foreign national criteria as detailed in the below table:

All applicant(s) have lived in the UK 12 months or more	Any applicant(s) have lived in the UK less than 12 months
<ul style="list-style-type: none"> The customer must evidence that they have lived in the UK for a minimum of 12 months at point of application. 	<ul style="list-style-type: none"> Minimum income of GBP75,000 for sole application or GBP100,000 for joint applications The customer(s) must provide a CRA report from their previous country of residence The customer(s) must provide the latest 3 months statements and 3 months' payslips.
<ul style="list-style-type: none"> Maximum LTV of 85 per cent for mortgage borrowing Deposit is funded from the customer's own resources, i.e. personal savings. Gifts are not acceptable, unless they are in addition to the 15 per cent deposit provided from the applicants own resources. 	

Overseas customers

- Residential and Buy to let 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](#).

Remortgaging

- £ for £ Remortgage, Additional borrowing may be provided if required
- 180 days offer from date of issue
- Additional borrowing up to 90% for home improvements, buying out Help to buy, Shared ownership etc.
- Maximum 90% LTV (houses) 90% (flats / maisonettes) and £50,000 for debt consolidation
- Day one Remortgage available in certain circumstances – no minimum term for property ownership
- AVM completed within the application or free valuation completed.

Existing customers

- Product switching and porting available
- Additional borrowing available – standalone or in conjunction with Product switch.

Further reasons to use HSBC UK

- Soft footprint credit search at DIP
- Second residential properties - Purchase and Remortgage up to 80% LTV
- Mortgage term available in years and months - maximising the affordability and term
- Base rate trackers with no ERCs
- New build - 5% cash incentives permitted without impact (excluding part exchange cases)
- Lending into retirement considered.

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.

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](#).