


T: 01565 654005

### All Change with BTL lending : Be Prepared

#### 16<sup>th</sup> October 2017

The new PRA regulations on BTL lending means there will be winners and losers. Don't risk losing out when you need finance in the next year for your next investment purchase.

E: [simon@searchlightfinance.co.uk](mailto:simon@searchlightfinance.co.uk)

---

---

---

---

---

---

---


T: 01565 654005

### Information not advice

- Most Buy to Let, Bridging and Commercial Finance is not regulated by the (FCA) Financial Conduct Authority.
- Business Buy to Let and Limited Company Finance is not regulated.
- Searchlight Finance Ltd is authorised and regulated by the Financial Conduct Authority reference 743220.

E: [simon@searchlightfinance.co.uk](mailto:simon@searchlightfinance.co.uk)

---

---

---

---

---

---

---


T: 01565 654005

### Background

- Landlord of 17 years.
- National Association of Commercial Finance Brokers.
- Society of Mortgage Professionals.
- Our direct access panel of lenders is within the top 0.5% of all brokers.

E: [simon@searchlightfinance.co.uk](mailto:simon@searchlightfinance.co.uk)

---

---

---

---

---

---

---

**SEARCHLIGHT FINANCE**  
FULFIL YOUR PROPERTY AMBITIONS

T: 01565 654005

### What's it all about?

PRA 1	PRA 2
<ul style="list-style-type: none"> <li>Rental calculation cover increased from 125% at 5% to 145% at 5.5%.</li> <li>Lower LTV on properties yielding less than 6%.</li> <li>Exceptions for 5 year fixes.</li> <li>Limited Company - no change but in reality a lot of lenders now work off 125% cover at 5.5%.</li> </ul>	<ul style="list-style-type: none"> <li>Portfolio Landlord &gt; 3 BTL mortgages.</li> <li>Separate underwriting policy.</li> <li>Lenders had to choose to be in or out by 30<sup>th</sup> September.</li> <li>More documentation to provide.</li> </ul>

E: [simon@searchlightfinance.co.uk](mailto:simon@searchlightfinance.co.uk)

---

---

---

---

---

---

---

---

**SEARCHLIGHT FINANCE**  
FULFIL YOUR PROPERTY AMBITIONS

T: 01565 654005

### What's been happening?

- Staff.
- Systems.
- Experience.
- Paperwork.



E: [simon@searchlightfinance.co.uk](mailto:simon@searchlightfinance.co.uk)

---

---

---

---

---

---

---

---

**SEARCHLIGHT FINANCE**  
FULFIL YOUR PROPERTY AMBITIONS

T: 01565 654005

### What some brokers say

- Too much information.
- Going to take time.
- Hardly any lenders.
- My client won't be able to get any more loans.



E: [simon@searchlightfinance.co.uk](mailto:simon@searchlightfinance.co.uk)

---

---

---

---

---

---

---

---

**SEARCHLIGHT FINANCE**  
FULFILL YOUR PROPERTY AMBITIONS

T: 01565 654005

**Additional Information that may be needed**

- Asset & Liability Profile.
- Schedule of Properties.
- Business Plan.
- Cashflow Forecast.
- Proof of Income & Personal Expenditure.
- Bank Statements.
- Tenancy Agreements.

E: [simon@searchlightfinance.co.uk](mailto:simon@searchlightfinance.co.uk)

---

---

---

---

---

---

---

---

**SEARCHLIGHT FINANCE**  
FULFILL YOUR PROPERTY AMBITIONS

T: 01565 654005

**Statement of Assets & Liabilities**

- Have your own version.
- Download a copy of credit report.
- Look at totals from your schedule of properties.
- Don't forget savings.

**Assets**  **Liabilities** 

**=NET WORTH**

E: [simon@searchlightfinance.co.uk](mailto:simon@searchlightfinance.co.uk)

---

---

---

---

---

---

---

---

**SEARCHLIGHT FINANCE**  
FULFILL YOUR PROPERTY AMBITIONS

T: 01565 654005

**Business Plan**



E: [simon@searchlightfinance.co.uk](mailto:simon@searchlightfinance.co.uk)

---

---

---

---

---

---

---

---



T: 01565 654005

What should be in it?

- Your background in property and experience to date.
- How you operate - type of properties you buy, who you let to, do you do flips, buy and hold, developments, HMO's etc.
- Investment Strategy- additional income, retirement planning, capital appreciation.
- Your background team - letting agents, solicitor, accountants, property management, broker.
- Void periods, evictions, court action. How you managed them and how you will avoid in future.
- Tenant profile e.g. professionals, working, students LHA, Serviced Accommodation, Holiday Lets.

- Future strategy - is it capital growth, a certain yield, conversions, how many will you buy/sell?
- What areas are you looking at? What's good/bad about the location you are buying in?
- How much money do you want to borrow over the next 12-18 months and what for? Where will your deposits come from?
- List all companies you are involved with by ownership or directors along with any intercompany liabilities.
- Any restructuring plans for business including incorporation/partnership and when you will do it.

E: [simon@searchlightfinance.co.uk](mailto:simon@searchlightfinance.co.uk)

---

---

---


---

---

---

---

---



T: 01565 654005

Cash Flow - Income

All BTL portfolio properties

	Previous 12 months	Current 12 months	Notes
Income			
Initial Cash Investment*			
Mortgage*			
Rental Income			
Government Grants			
Other			
Total Income (A)			

E: [simon@searchlightfinance.co.uk](mailto:simon@searchlightfinance.co.uk)

---

---

---


---

---

---

---

---



T: 01565 654005

Cashflow - Expenditure

Expenditure	Previous 12 months	Current 12 months	Notes
Mortgage Interest			
Tax Credits			
Letting Agents Fees			
Legal & Professional Fees			
Insurance			
Maintenance & Repairs			
Management Fees			
Ground Rent & Service Charge			
Council Tax			
Utility Bills			
Advertising & Marketing			
Cleaning			
Gas/Electric			
Office Costs			
Travel			
Other			
Total Expenditure (B)			
Net Cash Flow (A-B)			

E: [simon@searchlightfinance.co.uk](mailto:simon@searchlightfinance.co.uk)

---

---

---

---

---

---

---

---



**SEARCHLIGHT FINANCE**  
FULFIL YOUR PROPERTY AMBITIONS

T: 01565 654005

### What may be needed

- Owner.
- Full postal address.
- Date of purchase.
- Original purchase price.
- Current value.
- Lender.
- Monthly mortgage payment.
- Lender's interest rate.
- Type of product (fixed, variable, tracker and expiry date of product).
- Monthly rent.
- Type – Single, Multi Unit, HMO.
- Number of beds.
- Is it currently let.
- Start date of tenancy.
- Term of tenancy.
- Type of tenancy i.e. fixed term or periodic.

E: [simon@searchlightfinance.co.uk](mailto:simon@searchlightfinance.co.uk)

---

---

---

---

---

---

---

---

**SEARCHLIGHT FINANCE**  
FULFIL YOUR PROPERTY AMBITIONS

T: 01565 654005

### What will the lenders do?



E: [simon@searchlightfinance.co.uk](mailto:simon@searchlightfinance.co.uk)

---

---

---

---

---

---

---

---

**SEARCHLIGHT FINANCE**  
FULFIL YOUR PROPERTY AMBITIONS

T: 01565 654005

### Check and cross reference

- Key all the information into new software.
- Calculate portfolio LTV.
- Calculate rental cover.
- Check the outstanding mortgage amount.
- Check value.
- Check market rent.

*This document will be a major part of the process.*

E: [simon@searchlightfinance.co.uk](mailto:simon@searchlightfinance.co.uk)

---

---

---

---

---

---

---

---

**SEARCHLIGHT FINANCE**  
FULFIL YOUR PROPERTY AMBITIONS

T: 01565 654005

### Templates

- Business Plan 1-3 pages long.
- Cash flow Forecast.
- Assets & Liabilities.
- Schedule of Properties.

E: [simon@searchlightfinance.co.uk](mailto:simon@searchlightfinance.co.uk)

---

---

---

---

---

---

---

---

**SEARCHLIGHT FINANCE**  
FULFIL YOUR PROPERTY AMBITIONS

T: 01565 654005

### What next?



E: [simon@searchlightfinance.co.uk](mailto:simon@searchlightfinance.co.uk)

---

---

---

---

---

---

---

---

**SEARCHLIGHT FINANCE**  
FULFIL YOUR PROPERTY AMBITIONS

T: 01565 654005

### If you need finance soon

- Talk to your tax accountant and obtain your proof of income.
- Update your schedule of properties.
- See if your broker understands the changes as most don't.
- Prepare your business plan.

E: [simon@searchlightfinance.co.uk](mailto:simon@searchlightfinance.co.uk)

---

---

---

---

---

---

---

---

**SEARCHLIGHT FINANCE**  
FULFILL YOUR PROPERTY AMBITIONS

T: 01565 654005

### What we say

- Business as usual.
- We can help.
- Experience in this sector.
- We understand business plans.
- Plenty of lenders to choose from.



E: [simon@searchlightfinance.co.uk](mailto:simon@searchlightfinance.co.uk)

---

---

---

---

---

---

---

---

**SEARCHLIGHT FINANCE**  
FULFILL YOUR PROPERTY AMBITIONS

T: 01565 654005

### Which lenders are interested in Portfolio Landlords?



E: [simon@searchlightfinance.co.uk](mailto:simon@searchlightfinance.co.uk)

---

---

---

---

---

---

---

---

**SEARCHLIGHT FINANCE**  
FULFILL YOUR PROPERTY AMBITIONS

T: 01565 654005

### Contact Details

By email or phone  
Facebook –SearchlightFinance  
LinkedIn - searchlightfinance  
Email me to obtain a copy of the templates

E: [simon@searchlightfinance.co.uk](mailto:simon@searchlightfinance.co.uk)

---

---

---

---

---

---

---

---