

# Solutions Product Guide

## 2nd May 2024

For Ltd Co, Ex-pats, individual, portfolio and non-portfolio landlords.

- Solutions by Foundation offers buy to let options for more complex applicant and property scenarios
- **New** S2 2 Year Fixed Expat Limited Edition product available up to 75% LTV with a 1.5% fee and a rate of 6.64%






**Solutions**  
By Foundation

For intermediary use only.

BBR is set at 5.25% as of 3rd August 2023.

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# Products at a glance

## Quick Overview

S2 Product Range – For clients financing a more specialist property type and/or those with some historical blips on their credit rating

| APPLICANT TYPE              | S2 product                              |
|-----------------------------|---|
| Individual                  | ✓                                       |
| Portfolio landlord          | ✓                                       |
| First time landlord         | ✓<br>(standard property only)           |
| Ex-Pats                     | ✓                                       |
| PROPERTY TYPE               |   |
| Standard buy to let         | ✓                                       |
| Large HMO from 7 + bedrooms | ✓<br>(HMO specific products only)       |
| MUFB                        | ✓<br>(MUFB specific products only)      |
| Mixed Use                   | ✓<br>(Mixed Use specific products only) |

| CREDIT CRITERIA   | S2   |
|---|--|
| All defaults and CCJs/Court Decree must be satisfied irrespective of when they occurred | No defaults or CCJs/Court Decree registered in the last 24 months, regardless of whether they have been satisfied. |
| Secured loans   | A worst status of 0 in the last 24 months.   |
| Unsecured arrears   | A worst status of 2 in the last 24 months with a status of 0 in the last 12 months.                                |
| Credit Cards, Mail Order, Comms and Utilities   | A worst status of 3 in the last 24 months.<br>Up to date on application.   |
| Bankruptcy/Sequestration/ IVA/CVA/Admin Order   | None registered.   |

## Large HMO

| S2 - Large HMO | Initial Rate % | Max LTV    | Fee   | Max Loan | ICR   | ERCs               |
|----------------|----------------|------------|-------|----------|---|--------------------|
| 2 Year Fixed   | 6.79%<br>6.89% | 65%<br>75% | 2.00% | £1.5m    | Ltd Co/Basic rate tax payer: 125%. Higher rate tax payer: 145%.<br>And both stress tested as per table below. | 3%, 2%             |
| 5 Year Fixed   | 6.64%<br>6.74% | 65%<br>75% | 2.00% | £1.5m    | Ltd Co/Basic rate tax payer: 125% x pay rate<br>Higher rate tax payer: 145% x pay rate                        | 5%, 4%, 3%, 2%, 1% |

Products designed for Large HMOs. (Unlimited Bedrooms to 65% LTV, Max 10 Bedrooms to 75% LTV)

## Multi Unit Freehold Blocks

| S2 - Multi Unit Blocks | Initial Rate % | Max LTV    | Fee   | Max Loan     | ICR   | ERCs               |
|------------------------|----------------|------------|-------|--------------|---|--------------------|
| 2 Year Fixed           | 6.59%<br>6.69% | 65%<br>75% | 2.00% | £2m<br>£1.5m | Ltd Co/Basic rate tax payer: 125%. Higher rate tax payer: 145%.<br>And both stress tested as per table below. | 3%, 2%             |
| 5 Year Fixed           | 6.44%<br>6.54% | 65%<br>75% | 2.00% | £2m<br>£1.5m | Ltd Co/Basic rate tax payer: 125% x pay rate<br>Higher rate tax payer: 145% x pay rate                        | 5%, 4%, 3%, 2%, 1% |

Products for Multi Unit Freehold Blocks (MUFB) to a max. of 10 units

## Multiple Properties One Title

| S2 - Multiple Properties One Title | Initial Rate % | Max LTV    | Fee   | Max Loan   | ICR   | ERCs               |
|------------------------------------|----------------|------------|-------|------------|---|--------------------|
| 2 Year Fixed*                      | 6.74%<br>6.84% | 65%<br>75% | 2.00% | £3m<br>£2m | Ltd Co/Basic rate tax payer: 125%. Higher rate tax payer: 145%.<br>And both stress tested as per table below. | 3%, 2%             |
| 5 Year Fixed*                      | 6.59%<br>6.69% | 65%<br>75% | 2.00% | £3m<br>£2m | Ltd Co/Basic rate tax payer: 125% x pay rate<br>Higher rate tax payer: 145% x pay rate                        | 5%, 4%, 3%, 2%, 1% |

Products designed for Multiple Properties (max 4) on a Single Freehold Title | Minimum loan size £100,000 | Properties may be let on a standard AST, short-term or holiday let basis

\*Holiday Lets max 65% LTV on all products

| AFFORDABILITY ASSESSMENT                  |                             |
|---|-----------------------------|
| Short term fixed rates and variable rates | Higher of pay rate+2% or 6% |
| 5+ year fixed rates                       | Pay rate                    |

All loans revert to BBR+4.99%.

## Mixed Use Properties

| S2 - Mixed Use Properties | Initial Rate % | Max LTV | Fee   | Max Loan | ICR   | ERCs               |
|---------------------------|----------------|---------|-------|----------|---|--------------------|
| 2 Year Fixed              | 6.99%          | 70%     | 2.50% | £3m      | Ltd Co/Basic rate tax payer: 125%. Higher rate tax payer: 145%.<br>And both stress tested as per table below. | 3%, 2%             |
| 5 Year Fixed              | 6.89%          | 70%     | 2.50% | £3m      | Ltd Co/Basic rate tax payer: 125% x pay rate<br>Higher rate tax payer: 145% x pay rate                        | 5%, 4%, 3%, 2%, 1% |

For properties with Residential and Commercial components combined, where Residential Valuation and Rental Income are both in excess of 60% of total for the property

| AFFORDABILITY ASSESSMENT                  |                             |
|---|-----------------------------|
| Short term fixed rates and variable rates | Higher of pay rate+2% or 6% |
| 5+ year fixed rates                       | Pay rate                    |

All loans revert to BBR+4.99%.

# Expat Product Range | For UK Expats applying either as individuals or through a Limited Company and looking to purchase or remortgage a BTL property in the UK



| S2 Limited Edition    | Initial Rate %           | Max LTV | Fee   | Max Loan | ICR   | ERCs               |
|-----------------------|--------------------------|---------|-------|----------|---|--------------------|
| 2 Year Fixed          | 6.64%                    | 75%     | 1.50% | £1.5m    | Ltd Co/Basic rate tax payer: 125%. Higher rate tax payer: 145%.<br>And both stress tested as per table below. | 3%, 2%             |
| S2                    | Initial Rate %           | Max LTV | Fee   | Max Loan | ICR   | ERCs               |
| 2 Year Discount       | 8.09% (reversion -2.15%) | 75%     | 1.50% | £1.5m    | Ltd Co/Basic rate tax payer: 125%. Higher rate tax payer: 145%.<br>And both stress tested as per table below. | None               |
| S2 Green Expat*       | Initial Rate %           | Max LTV | Fee   | Max Loan | ICR   | ERCs               |
| 5 Year Fixed EPCs A-C | 6.59%                    | 75%     | 1.25% | £1.5m    | Ltd Co/Basic rate tax payer: 125% x pay rate<br>Higher rate tax payer: 145% x pay rate                        | 5%, 4%, 3%, 2%, 1% |
| S2                    | Initial Rate %           | Max LTV | Fee   | Max Loan | ICR   | ERCs               |
| 5 Year Fixed          | 6.59%                    | 75%     | 1.50% | £1.5m    | Ltd Co/Basic rate tax payer: 125% x pay rate<br>Higher rate tax payer: 145% x pay rate                        | 5%, 4%, 3%, 2%, 1% |
| S2 Standard HMO**     | Initial Rate %           | Max LTV | Fee   | Max Loan | ICR   | ERCs               |
| 5 Year Fixed          | 6.64%                    | 75%     | 2.00% | £1.5m    | Ltd Co/Basic rate tax payer: 125% x pay rate<br>Higher rate tax payer: 145% x pay rate                        | 5%, 4%, 3%, 2%, 1% |
| S2 Large HMO***       | Initial Rate %           | Max LTV | Fee   | Max Loan | ICR   | ERCs               |
| 5 Year Fixed          | 6.94%                    | 75%     | 2.00% | £1.5m    | Ltd Co/Basic rate tax payer: 125% x pay rate<br>Higher rate tax payer: 145% x pay rate                        | 5%, 4%, 3%, 2%, 1% |

\*Property's EPC certificate must show a current rating applicable to the product. Product offers one free standard valuation and no application fee.

\*\*Up to 6 occupants | \*\*\*Larger HMOs to a max 10 bedrooms.

| AFFORDABILITY ASSESSMENT                  |                             |
|---|-----------------------------|
| Short term fixed rates and variable rates | Higher of pay rate+2% or 6% |
| 5+ year fixed rates                       | Pay rate                    |

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All loans revert to BBR+4.99%.

# Expat Product Range | For UK Expats applying either as individuals or through a Limited Company and looking to purchase or remortgage a BTL property in the UK



| S2 MUFB*     | Initial Rate % | Max LTV | Fee   | Max Loan | ICR  | ERCs              |
|--------------|----------------|---------|-------|----------|--|-------------------|
| 5 Year Fixed | 6.74%          | 75%     | 2.00% | £1.5m    | Ltd Co/Basic rate tax payer: 125% x pay rate<br>Higher rate tax payer: 145% x pay rate | 5%, 4%, 3%, 2%,1% |
| S2 Mixed Use | Initial Rate % | Max LTV | Fee   | Max Loan | ICR  | ERCs              |
| 5 Year Fixed | 7.09%          | 70%     | 2.50% | £3m      | Ltd Co/Basic rate tax payer: 125% x pay rate<br>Higher rate tax payer: 145% x pay rate | 5%, 4%, 3%, 2%,1% |

\*Multi Unit Freehold Blocks (MUFBs) to a max 10 units

| AFFORDABILITY ASSESSMENT                  |                             |
|---|-----------------------------|
| Short term fixed rates and variable rates | Higher of pay rate+2% or 6% |
| 5+ year fixed rates                       | Pay rate                    |

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All loans revert to BBR+4.99%.

# General criteria

| APPLICATION CRITERIA             | INDIVIDUAL  | LIMITED COMPANY  |
|----------------------------------|---|--|
| Application Fee (non-refundable) | £199.   |  |
| Overpayments                     | Yes, up to 10% in any one year.   |  |
| Maximum number of applicants     | 2.  | 4.   |
| Age                              | 21 years at inception to 85 years at term end.  | At least 1 applicant must be aged over 21 years at application.<br>Other applicants are acceptable provided aged 18 years or over.<br>No maximum age for limited company applications. |
| First Time Buyers                | At least one applicant must NOT be a first time buyer.                                |  |
| Minimum valuation                | £75,000. (£125k for 85% LTV products).  |  |
| Exposure                         | Maximum 3 properties in any one postcode.   |  |
| New build                        | Leasehold flats to a max of 65% LTV.<br>Additional criteria applies. Houses accepted. |  |
| Location                         | England, Wales and Scotland.  |  |

| PORTFOLIO LANDLORD CRITERIA |  |
|-----------------------------|--|
| Portfolio Landlords         | For background portfolios we require a maximum aggregate LTV of 100%. Minimal rental coverage is calculated using an ICR of 100% at a stress rate of 5.5%. Calculations include unencumbered properties. |

| LOAN CRITERIA              |  |
|----------------------------|--|
| Purpose                    | Purchase/Remortgage.   |
| Repayment type             | Interest Only/Capital & Interest/Part & Part.  |
| Early remortgage           | Early remortgage is available on all Solutions products except for Specials.   |
| Term                       | 5 - 30 Years.  |
| Gross monthly rental cover | Rental income calculated on lower of current rent or valuer estimate.  |
| Loan size                  | Minimum £50,000* Maximum £2,000,000*<br>*may vary dependent on product.  |
| ICR                        | Basic rate tax payer 125%<br>Higher rate tax payer 145%<br>Limited Companies 125%  |
| Product End Dates          | All Foundation products have a rolling end date. This means upon completion customers will benefit from their fixed or discounted rate for the full period i.e a 2 year rate will run for 2 years from completion. |

| LIMITED COMPANY CRITERIA     |  |
|------------------------------|--|
| Limited Company Registration | Company to be registered in England and Wales or Scotland for the purposes of property rental. |
| Applications                 | Must be SPV for purpose of property rental.<br>No trading companies.                           |
| Acceptable SIC codes         | 68100 - 68209 - 68320  |

Note: for full criteria relating to our Solutions products please see our Criteria Guide and pages on the website.