Your Buy-To-Let Mortgage

HLC mortgages

Your Buy-to-Let Mortgage...

A buy-to-Let mortgage is specifically designed for individuals who want to **purchase a property to rent it out**. Whether you're a first-time landlord or an experienced investor, **securing the right mortgage is essential to maximising your investment's returns.**

Buy-to-Let mortgages differ from residential ones, with factors like **rental income** and **property type** playing a key role in the application process.

At HLC Mortgages, we understand the complexities of Buy-to-Let financing. **We search the entire market** to find the right deal for you, whether you're looking to purchase a new property or remortgage an existing one.

Why Choose a Buy-To-Let Mortgage?

- **Rental Income Potential:** Finance your property investment and generate monthly rental income.
- **Expand Your Portfolio:** Leverage current equity to acquire more properties.
- **Flexible Repayment Options:** Choose between interest-only or repayment mortgages.
- **Tax Benefits:** Explore potential tax relief and deductions on mortgage interest.

How We Help...

- Access to competitive deals from the whole market.
- Expert advice tailored to your property goals.
- Complete management of the application and paperwork.
- Flexible appointments, including evenings and weekends.

Buy-To-Let FAQ's

How is a Buy-to-Let mortgage different from a residential mortgage?

Unlike residential mortgages, Buy-to-Let lenders assess the potential rental income of the property. Interest rates and deposit requirements are typically higher.

Can I get an interest-only Buy-to-Let mortgage?

Yes, many Buy-to-Let mortgages are available on an interest-only basis, which helps reduce monthly costs. At the end of the term, the loan amount will need to be repaid, typically through selling the property or using savings.

How much rental income do I need to qualify for a mortgage?

Most lenders require the rental income to be at least 125-145% of the mortgage payment. This ensures that the rent comfortably covers the loan, even with changes in interest rates.

Do I need a minimum income to qualify?

Some lenders require a minimum personal income, often around £25,000 per year, while others focus primarily on the rental income the property will generate.

How much deposit will I need for a Buy-to-Let mortgage?

Most lenders require at least 20-25% of the property's value as a deposit. However, this can vary depending on your circumstances and the lender.

Are there tax implications I should consider?

Yes, tax on rental income and changes in mortgage interest relief can affect your returns. We recommend speaking with a tax advisor to fully understand your obligations.

Can I remortgage my current Buy-to-Let property?

Absolutely! You can remortgage to get a better rate, release equity, or switch to a more flexible product. HLC Mortgages can guide you through this process.

HLC mortgages

Glossary.

A

Arrangement Fee:
An Arrangement is a one-off fee that can be payable to the mortgage lender upon application.

B

Budget:
Knowing your budget is vitally important when starting your search, this includes understanding your borrowing potential as well as what the monthly outgoings are going to look like.

C

Credit Score:
Check your credit score, as it affects your eligibility for mortgages and the interest rates you might secure.

D

Deposit:
Save for a deposit, typically at least 5% of the property's value, but larger deposits can often secure better mortgage rates.

E

Early Repayment Charges:
A fee charged by mortgage lenders if the borrower pays off their mortgage early or exceeds overpayment limits.

F

Fixed Rate Mortgage:
The interest rate you are charged is fixed for a designated period of time and therefore avoids the risk of changes in the Bank of England rate.

G

Green Mortgage:
Some mortgage lenders will often give borrowers preferential terms or rates if they can demonstrate the energy efficiency of their property.

H

Homebuyers Survey:
A type of property survey available to assess the condition of the property.

I

Interest Rates:
Each mortgage lender will have different interest rates and this will vary depending upon your level of deposit.

J

Joint Borrower Sole Proprietor:
A mortgage type available to boost affordability, where a friend/family member's income can be used for affordability purposes despite them not going on the property title.

L

M

N

O

P

R

S

T

U

V

Loan to Value:
The ratio of the mortgage amount to the property's value, expressed as a percentage.

Mortgage:
A loan used to purchase a property, where the property serves as collateral for the loan.

New Build:
Mortgage lenders will often have 'New Build' specific mortgage products.

Offset Mortgage:
An offset mortgage provides a loan that will be offset against savings held within a specified account with the lender.

Porting:
A Portable mortgage allows you to transfer your borrowing from one property to another if you move.

Remortgage:
The process of switching to a different mortgage deal or lender.

Standard Variable Rate:
The default interest rate set by a mortgage lender which borrowers would move onto after their initial benefit period.

Tracker Mortgage:
A variation of a typical variable rate mortgage where the interest rates tracks a specific financial index, typically linked to the Bank of England Base Rate.

Underwriting:
The lender will underwrite your mortgage application before final approval.

Variable Rate:
A mortgage with an interest rate that can fluctuate, this will often either be linked to the Bank of England Base Rate or the Standard Variable Rate.

Valuation Report:
Lenders will carry out a survey to check whether the property is worth the amount you are paying for it.