

# LENDING EXCLUSIONS



## Eligibility

1. We require applicants to be UK residents and UK taxpayers, with incomes paid in £ sterling.
2. We will not accept applications from parties with power of attorney.
3. If an applicant has declared any criminal conviction (other than a minor driving offence) then the application will be considered only when the conviction has been spent as defined by The Rehabilitation of Offenders (Northern Ireland) Order 1978.

## UK Residency and Foreign Nationals

### Foreign Nationals

1. We require minimum of 2 years UK residency.
2. Kensington will require confirmation that the proposed borrower has the legal right to reside in the UK indefinitely (has settled or pre-settled status) and their income is received in sterling GBP.
3. For Applicants with more than 2 years remaining on a Tier 1 with more than 2 years remaining or Tier 2 Visa (A Skilled Worker Visa) at application, permanent right to reside is not required up to 70% LTV where the applicant has:
  - Been employed in the same job for a minimum period of 2 years, and
  - is earning more than £75k

### Returning UK Residents

1. We require a minimum of 12 months UK residency.

## Interest Only

1. We require evidence of a repayment vehicle for all interest only loan amounts.
2. Sale of property as a repayment strategy is not acceptable for primary residence properties.

## Investment (Buy to Let) Applications

1. At least one applicant must be an existing residential homeowner unless they currently have at least 1 Buy to Let property, which they have owned for at least 2 years, have owned 4 or more Buy to Let properties or their employer provides tied accommodation or at least one applicant earns a minimum of £40,000.
2. For England, we will only accept Buy to Let properties if they are let on an Assured Shorthold Tenancy (AST) Agreement for a for a maximum period of 24 months and where the term is for 12 months or more, it must have a break clause exercisable by the landlord at the midpoint.
3. Where the letting is in Northern Ireland, the agreement must be a fixed term of not more than 12 months or periodic contract.
4. Any new Scottish tenancy will be replaced or converted to Private Residential Tenancy.
5. For Wales,
  - a) Tenancy that started before 1 December 2022 must be an AST of not more than 24 months with a break clause at the midpoint.
  - b) If the tenancy starts on or after 1 December 2022, the contract must be a standard occupation contract for residential purposes within the meaning of the Renting Homes Wales Act (RHWA) for a fixed term of up to 36 months, or a periodic term. Where the RHWA permits, it must contain a break clause which lets the landlord end the contract on the minimum notice period provided.

## General

1. Intermediaries must hold permissions to advise on regulated mortgage contracts and arrange regulated mortgage contracts. Where the loan is a Consumer Buy to Let (CBTL) loan Kensington will only accept applications from an appropriately registered intermediary.
2. We will not accept back to back sales; there must be a minimum of 6 months between sales (where the vendor is a reputable national builder - refer to Kensington for consideration).
3. We will not lend in any situation where sale and rent back is involved.
4. We will not enter into staged release, "course of construction" payments.
5. Where there is evidence that the applicant has inherited a property, the application can only be considered when probate has been finalised and all the beneficiaries are shown as owners of the property on Land Registry.
6. Remortgage within 6 months is unacceptable.
7. Inter-Family sales are not acceptable.
8. Debt management agreements must have been in existence for at least 12 months prior to submission of the mortgage application and evidence of supporting payments must be provided for the full 12 months including balance.