

LENDING EXCLUSIONS



Eligibility

1. We require applicants to be UK residents and UK taxpayers, their income paid in sterling GBP.
2. We will not accept applications from parties with a 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. Where the letting is to an individual or individuals in England the agreement must be an Assured Periodic Tenancy ("APT")
3. Where the letting is to an individual or individuals in Northern Ireland the agreement must be a fixed term of not more than 12 months or a periodic contract and the Applicant must be a registered landlord or give an undertaking prior to completion to apply to become a registered landlord with the Landlord Registration Scheme (Northern Ireland) (or any replacement scheme in force from time to time) within 30 days of completion.

Applicants in Northern Ireland are required to ensure that the Property is subject to a tenancy agreement that enables a mortgagee (and any appointed LPA receiver) the right to terminate the tenancy agreement and obtain vacant possession of the Property.

 - (i) In the case of a single fixed tenancy (which is to comply with Offer Condition 1320) at the end of the fixed term on providing notice as may be prescribed as the minimum notice period necessary under the relevant legislation applicable at the time; or
 - (ii) In the case of a periodic tenancy on providing notice of not more than 6 (six) months or such longer period as may be prescribed as the minimum notice period necessary under the relevant legislation applicable at the time.
4. Where the letting is to an individual or individuals in Scotland then the tenancy must be a private Residential Tenancy under the Private Housing (Tenancies)(Scotland) Act 2016. Applicants must be registered landlords with the local authority.
5. For Wales,
 - a) If the tenancy started before 1 December 2022, the tenancy must be an Assured Shorthold Tenancy Agreement of not more than 24 months with a break clause at the midpoint. On or after 1 December 2022 the tenancy agreement will change into an occupation contract. The tenants will become contract-holders. The Applicant must ensure that a written statement of the occupation contract that meets the terms of the Renting Homes (Wales) Act 2016 ("RHWA") is given to the contract-holders within six months of 1 December 2022. Where the current tenancy agreement includes the right to recover possession under ground 2 of Schedule Two of the Housing Act 1988, then the written statement must explain that paragraph 28 of Schedule 12 of the RHWA applies to the occupation contract.
 - b) If the tenancy started on or after 1 December 2022, the contract must be a standard occupation contract for residential purposes within the meaning of the RHWA for a fixed term of up to 36 months, or a periodic term. Where permitted, it must contain a break clause which lets the Applicant end the contract on the minimum notice period set out in the RHWA.

Applicants in Wales must be a registered landlord with Rent Smart Wales (or any replacement scheme in force from time to time) and either holding a current valid licence for letting and property management activities or letting the Property through a licensed agent who undertakes these activities on their behalf.

LENDING EXCLUSIONS



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 at the 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.