

SOURCE OF DEPOSIT INFORMATION



Kensington

To help give you the information you need to place your clients' case, we've put together a detailed guide to our source of deposit requirements.

General

- ✓ If your client is providing the funds for their deposit, we will always ask to see evidence of the source of the funds.
- ✓ In some cases, our underwriters may ask for more information in relation to how the funds have built up especially if large deposits have recently been transferred into an account. This could be a request to see additional bank or building society statements to show how the funds have grown over time.
- ✓ Deposit monies need to have been in a UK bank or building society, current or savings account for at least 3 months when the application is submitted. Unless, for example, it is from a recent UK transaction such as a remortgage or the Government Help to Buy scheme (Residential properties only).
- ✗ We're unable to accept screenshots of balances. Please provide full bank statements.
- ✗ We're unable to accept further borrowing (unsecured loans, funding from credit cards, etc.) as deposits. The Government Help to Buy scheme equity loan is acceptable.
- ✗ We're unable to accept repayment of a loan from a third party.
- ✗ Vendor deposits are unacceptable.
- ✗ Cryptocurrency (e.g. bitcoin) is unacceptable.

Gifted Deposits - Residential

- Gifted deposits can come from up to 3 different sources.
- Immediate family members can gift a deposit including parents, step-parents, grandparents, and other family members such as a non-dependent child, brother, sister, uncle or aunt.
- The donor will need to complete a Donor Gift Deposit Declaration form and provide supporting ID such as a passport or driving licence.

Gifted Deposits - BTL

- Gifted deposits are not accepted on loans over £500,000.
- Immediate family members can gift a deposit including parents, step-parents, grandparents, and other family members such as a non-dependent child, brother, sister, uncle or aunt.
- The donor will need to complete a Donor Gift Deposit Declaration form and provide supporting ID such as a passport or driving licence.
- We can only accept Gifted Deposits from a maximum of 3 sources for Non-Limited Company Buy to Let applications.

For Limited Company applications:

- Deposits must be accrued from the directors' personal funds.
- In some cases, a directors loan is acceptable as a source of deposit as it is not treated as a gifted deposit.
- We can only accept Gifted Deposits from a maximum of 4 sources where each Director is providing their share of deposit.
- Intercompany loans are an acceptable source of deposit provided the company structures (ownership and directorship) are identical.
- Gifted deposits are only acceptable if they come from:
 - Company Directors (where the Company Director will be providing a Personal Guarantee on the Limited Company BTL application).
 - The Director's personal funds or from equity where the Director sells the individually owned property to the Limited Company. Where the equity is being used for the deposit, it can be provided as a Director's Gift or expressed as a Director's Loan.
 - **Gifted deposits from family members are not acceptable.**

Builders Deposits

We can accept builder deposits when all the following are true:

- Where the builder holds an acceptable New Build warranty as per our approved list.
- The surveyor is aware of any incentives and has taken them into consideration when placing a value on the property. The UK Finance disclosure of incentives form must be in the possession of the valuer in every case.
- The builder deposit is a maximum 5%.
- The property is a new build.

Help to Buy Wales

- Help to Buy Wales accepted on residential applications only.
- We'll need to see the Help to Buy Agency Authority to Proceed letter.
- Property must have an EPC level of A or B to qualify.
- Help to Buy Wales deposit acceptable up to 20%.
- The total LTV must be between 25% and 75%.
- The applicant(s) must provide at least a 5% deposit.
- The maximum property value is £300,000.