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chl mortgages

Buy-to-Let Criteria Guide

16th October 2026

chli.co.uk

Standard | HMO / MUFB | Short Term Lets | Light Refurbishment

Buy-to-Let **Criteria Guide**

Highlights

The Applicant

- Limited Companies & LLPs
- Portfolio Landlords
- Trading Companies

The Property

- HMO/MUFB up to 10 beds/units
- Ex-Local Authority / New Build flats up to 75% LTV
- Studio Flats less than 30m² by referral

The Rental Calculation

- Basic Rate & Ltd Co. at 125%
- Higher Rate tax payer at 140%
- Blended ICR available

The Loan

- Up to £2m to 75% LTV
- Up to £3m to 70% LTV
- Remortgage within 6 months

		CHL **1**	CHL **2**	
		BTL	**BTL**	**Refurb BTL**
PRODUCT	Standard Buy-to-Let	✓	✓	✓
PRODUCT	Small HMO/MUFB	✓	✓	✓
PRODUCT	Large HMO/MUFB	✗	✓	✗
PRODUCT	Short Term Lets	✗	✓	✗
CRITERIA	Trading companies	✗	✓	✓
CRITERIA	Adverse	See page 3		

This guide is intended for guidance only and is supported by the full lending criteria.

For detailed criteria or to discuss a case please contact our team on 01252 365 888, email sales@chlmortgages.co.uk or find your regional BDM at www.chli.co.uk/team

Criteria Search & FAQs

Have you tried the Criteria Search tool on our website?

Check it out now!

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The Applicant

Applicants	**Up to 4** individual applicants or Limited Company Directors and/or Shareholders or LLP Members. **Up to 4** Limited Company Guarantors. Guarantors must include all Directors and Shareholders with ≥20% controlling shares. Guarantors must together hold a **minimum of 75**% or more of the controlling share capital. **Up to 4** LLP Guarantors which must include all designated members and those members with management rights as detailed in the LLP agreement.
Experience	For HMOs and MUFBs with up to 6 bedrooms or units, at least one applicant must have 12 months' experience of operating a buy-to-let property. For HMOs and MUFBs with 7 to 10 bedrooms or units, at least one applicant must have 24 months' experience of operating a buy-to-let property. For applications on our refurbishment buy-to-let products, at least one applicant must have 12 months' experience of operating a buy-to-let property.
Ltd Company / LLP	All products are available to Limited Company and LLP borrowers registered in England & Wales • Property related SPV, trading companies and layered company structures accepted New company incorporations accepted • Deposits from Inter-company/Director/Shareholder/Partner loans accepted A personal guarantee must be provided by all Ltd Co. Directors, Shareholders with ≥20% shareholding, and all designated members and members with management rights of an LLP. **CHL 1** acceptable SIC codes: **168100** | **68209** | **68320** | **68201** • **CHL 2** acceptable SIC codes: All SIC codes considered.
Age limits	Minimum Age: **18** • Maximum Age: **85** at the end of term
Minimum Income	Where all applicants are first-time buyers, at least one applicant must have a minimum income of £30,000. No minimum income requirements on loans under £1m, but applicants will need to be able to cover rental voids should they arise.
Maximum Aggregate Exposure	Maximum aggregate borrowing with CHL Mortgages: £10m (with no limit on the number of properties/mortgages). Subject to underwriting review and assessment.
Residency	UK resident for at least the last 3 years with permanent right to reside

Adverse

<table>
<tr><th></th><th>Unsecured Arrears</th><th>Secured Arrears</th><th>Default</th><th>CCJs</th><th>Debt Mgmt. Plan</th><th>IVA/Bankruptcy</th><th>Repossessions</th></tr>
<tr><td>CHL 1</td><td colspan="4">0 in 36 months</td><td rowspan="2">0 in 36 months</td><td rowspan="2">Satisfactorily completed / discharged over 6 years</td><td rowspan="2">Not accepted</td></tr>
<tr><td>CHL 2</td><td>Max.
Status 2 in 12 months
———
Max.
Status 3 in 36 months</td><td>Max.
Status 2 in 24 months
———
Any status over 24 months considered at underwriter discretion</td><td>0 in 12 months
———
Max. 2 in 24 months
———
Communications / utilities defaults can be ignored</td><td>Unsatisfied:
Max. £250 in 36 months
———
Satisfied:
Max. £500 in 36 months</td></tr>
<tr><td></td><td colspan="3">Utility, mail order, communications & insurance arrears considered at underwriter discretion.</td><td></td><td></td><td></td><td></td></tr>
</table>

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The Property

Criteria which apply to all types of property including HMO / MUFB

Location	Mainland England, Isle of Wight and Wales only.
Tenancy	Single or Multiple APT from 6 to 36 months • Student lets • Corporate lets considered • Housing Association / Local authority lets considered
Acceptable Construction Types	Standard brick and breeze block construction • Modern timber framed construction post 1960 (including space4) with masonry outer skin Stone built or brick and mortar built walls • Modern steel framed property with brick or block and rendered walls • Modern methods of construction subject to referral
Acceptable Roof Types	Standard roof construction from slate or tile
Acceptable Exposure	Blocks of up to 6 units: Maximum 6 units per block • Blocks of 7 to 20 units: Maximum 10 units per block • Blocks of more than 20 units: Highest of 10 units or 20% per block
Maximum kitchens	No limit on number of kitchens in a property, providing valuer comments confirm no impact on saleability.
Energy Performance	Minimum EPC rating: E • Minimum EPC rating (light refurbishment products): No minimum pre-works rating, post-works rating must be E or above

	Standard Property	Studio Flat	New Build	Ex-local Authority	Above/Adjacent to Commercial
Definition	Single family dwelling or existing shared accommodation where no HMO licence required	A small flat with one room for living and sleeping in, a kitchen, and a bathroom	A property built or converted within the last 12 months or a property that has never been lived in in its current format	Previously owned by the local authority/housing association	A property above or adjacent to a commercial property considered
Rooms / Units	No maximum bedrooms Shared accommodation acceptable	Max. 1 main room	No maximum bedrooms		
Minimum Property Value*1	£50,000				Min. value £250,000 within M25 (£150,000 elsewhere)
Maximum storeys	Up to 20 storeys in a block of flats. • Blocks over 20 storeys considered subject to criteria, please refer				
Property Notes	Shared Houses considered with rental assessment on a single family unit basis	Units with floor area below 30m² by referral only.	All properties less than 10 years old must hold an adequate warranty	Areas with medium / high levels of private ownership	Positive valuer comments required. Subject to restrictions, please refer
Maximum LTV	80%	70%	75%		
Tenure & Leasehold	Freehold and Leasehold Minimum 51 years remaining at maturity or Section 42 agreed prior to completion. Transactions involving headlease/sub lease are unacceptable.				

* **1.** All flats above 10 storeys require a minimum property value of £150,000.

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The Property

	HMO		MUFB	
	Small (CHL 1 & CHL 2 products)	**Large** (CHL 2 products only)	**Small** (CHL 1 & CHL 2 products)	**Large** (CHL 2 products only)
Definition	At least 3 tenants reside there forming more than 1 household Tenants share a lavatory, bathroom or kitchen facilities with other tenants and a HMO licence is required	At least 5 tenants reside there forming more than 1 household, or any HMO that needs considerable alteration to sell as a family home and tenants share a lavatory, bathroom or kitchen facilities with other tenants and a HMO licence is required	A block of up to 6 self-contained units on a single freehold title	A block of up to 10 self-contained units on a single freehold title Any MUFB property where an element would be defined as a HMO, then the property will be defined as a 'Hybrid Multi-Unit' property. (In this instance the HMO element must adhere to our HMO criteria.)
Minimum Property Value	Inside M25: £100,000 • Elsewhere: £75,000		Inside M25: £150,000 • Elsewhere: £100,000	
Acceptable Classes	C3 • C4	C3 • C4 • Sui Generis		
Rooms / Units / Storeys	Max. 6 bedrooms Max. 8 lettable rooms Max. 4 habitable storeys	Max. 10 bedrooms No maximum number of lettable rooms No maximum number of habitable storeys	Max. 6 self-contained units in the block	Max. 10 self-contained units in the block
Property Notes	Shared Houses considered with rental assessment on a room-by-room basis Must need minimal adaption to sell as a family home The Solicitor will be required to ensure all relevant Planning/Change of Use requirements for its proposed use are in place on Completion	Shared Houses considered with rental assessment on a room-by-room basis Heavily adapted properties considered The Solicitor will be required to ensure all relevant Planning/Change of Use requirements for its proposed use are in place on Completion	Each unit must have separate services Any element of commercial usage is unacceptable	Blocks containing units with shared services considered Any element of commercial usage is unacceptable
Maximum LTV	80%	75%	80%	75%
Tenure & Leasehold	Freehold and Leasehold Minimum 51 years remaining at end of term or Section 42 agreed prior to completion.		Freehold Only	

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Refurbishment Range (CHL 2 products only)

	Light Refurbishment (LR)
Designed for...	Non-structural and modernisation works which can be signed-off under the Competent Persons Scheme, without the need for building controls sign-off
Pre-works status	Property does not need to be lettable at point of initial mortgage advance.
Cost of works	Costs must not exceed 25% of the pre-works value
Maximum LTV	75% (pre-works and post-works)
Works timeframe	Up to 90 days from initial mortgage advance
Retention	A retention will be held between the pre-works and post-works value and market rent for up to 120 days from initial mortgage advance. The retention will be released upon confirmation by a Valuer Reinspection of full completion of works as defined within the agreed schedule and of the post-works value and market rent. If the property is not lettable at the point of reinspection the retention will continue to apply for up to 120 days from initial mortgage advance.
Borrower / Property	Individual & Limited Company / LLP borrowers accepted. Refurbishment products are not available for Large HMO/MUFB properties. Short-term lets not accepted. For applications on our refurbishment buy-to-let products, at least one applicant must have 12 months' experience of operating a buy-to-let property.

Examples of acceptable works

Replacement floor coverings	✓
Painting & decorating	✓
Replacement fixtures & fittings	✓
Replacement internal doors	✓
Minor repairs	✓
Replacement heating systems	✓
Improved insulation	✓
Full rewiring	✓
Replacement windows & doors	✓
Replacement bathrooms & kitchens	✓
Integral garage/loft conversion to habitable space*	✓
Conversion of C3-dwelling to Shared house/C4-HMO	✓
Replacement roof coverings	✓
Non-load bearing internal re-configuration	✓

* Loft conversion works must not affect the roofline

Supporting evidence required

Schedule of works and costs for the proposed works	✓
Evidence of available funds to cover the proposed works (including contingency)	✓
Evidence of available funds to cover at least 3 months mortgage payments of the proposed BTL	✓
Details of the applications/main contractors relevant experience of previous development/refurbishment projects	✓
Copies of full plans/drawings relating to the proposed works	✓
Copies of any planning/permitted development/change of use required for proposed use of the property post works	✓

Unacceptable works

- ⊗ Projects where full planning/permitted development/change of use is not in place on completion of the initial advance
- ⊗ Works requiring building controls sign off (that cannot be signed-off under a Competent Person Scheme)
- ⊗ Any works to fix ongoing or progressive structural movement
- ⊗ Any project where the intention is not to let the security property post-works
- ⊗ Any works where the current or proposed structure/materials are unacceptable to CHL Mortgages
- ⊗ Any load-bearing reconfiguration, footprint expansion or anything with direct structural impact (eg. Digging of basement)
- ⊗ Outbuilding conversion to a habitable space
- ⊗ Conversion to MUFB (refurbishment of an existing MUFB is permitted)
- ⊗ Conversion to / let as Large HMO

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The Rental Calculation

Tax band	ICR
Basic Rate	125%
Ltd Companies / LLP	125%
Higher Rate	140%

Blended ICR: For applications including a combination of Additional Rate/Higher Rate/Basic Rate borrowers, we can apply a Blended ICR to determine loan affordability based upon each borrower's tax status and their individual share of ownership/rent. Please refer to the affordability calculator held on the Documents page of our website to calculate how much your clients can borrow.

	Assessment Rate
Initial product term less than 5 years	Highest of 5.50%; or the initial pay rate + 2.00%.
Initial product term less than 5 years* where a historic borrower is looking to remortgage without capital raising	Highest of 5.00%; or the initial pay rate + 1.00%.
5 year fixed or more	The initial pay rate.

***Historic Borrower:** A borrower who owned their BTL property before 6th April 2017

NOTE: Should a borrower choose a Capital & Interest repayment mortgage then, in addition to the Interest Cover Ratio test above, the gross monthly rental income must be equal to or greater than the monthly payment.

Security Type	Basis of rental income	Basis of Valuation
Single self-contained unit	Single tenancy	Comparable
Shared House	Single tenancy	Comparable
Short-term lets / Serviced Apt.	Single tenancy	Comparable
Holiday Lets	Single tenancy	Comparable
Small HMO (≤6 bedroom)	Tenancy per room	Comparable
Large HMO (>6 bedroom)	Tenancy per room	Commercial (vacant possession)
Small MUFB (≤6 units)	Tenancy per unit	Comparable
Large / Hybrid† MUFB (>6 units)	Tenancy per unit / per room	Commercial (vacant possession)

† For definition of Hybrid MUFB see Page 5

The Loan

Minimum loan*	**£25,001**
Maximum loan*	**£3m** up to 70% net LTV **£2m** up to 75% net LTV **£750,000** up to 80% net LTV
Minimum Loan Term	**5 years**
Maximum Loan Term	**40 years**
Remortgage within 6 months	Lending based on market value where uplift explained by works/changes to the property/title, otherwise value limited to original Purchase Price/pre-works value. Where the remortgage application is to repay an existing bridging loan, the bridging loan provider must be an FCA registered firm. We also require: • evidence of the bridging loan • Land Registry evidence of the first charge registration or charge application submission • the underwriter to be satisfied that the property is intended to be let • a physical inspection of the property to be carried out in all instances
Porting	**Not portable**
Offer Validity	**4 months**

*Cases falling outside of minimum/maximum loan limits considered on a case-by-case basis, please refer to your BDM.

Capital Raising

Capital raising is permitted for any legal purpose except for:

- Tax liabilities (excluding Capital Gains and Inheritance tax)
- Gambling debts
- Consumer buy-to-let
- Any business purpose that is not property investment.

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Competitive rates. Flexible criteria.

Common sense.

At CHL Mortgages we take a common sense approach to buy-to-let. That means flexible criteria and experienced people who will consider each case on its own merit, working with you to provide specialist solutions for your landlord clients, at competitive prices.

To discuss a case or for further information get in touch with the CHL Mortgages team

01252 365 888 sales@chlmortgages.co.uk

chli.co.uk

Here are just some areas we may be able to help you with*...

- First Time Landlords
- Up to 4 applicants
- Portfolio Landlords
- Blended ICR
- Studio Flats from 30sqm
- Intercompany Loan Deposits
- Directors Loans
- Limited Companies & LLPs
- Gifted Deposits
- HMO up to 10 Bedrooms
- MUFB up to 10 Units
- New Builds (inc. modern methods)
- Shared Accomodation
- Above/Adjacent to Commercial
- Local Authority Leases
- Ex-local Authority

* Subject to detailed criteria and underwriting

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