

At the Chalk Face: Background buy-to-let – A how to guide.

Where you are using background buy-to-let income to support your client's application, there are a number of ways we can proceed.

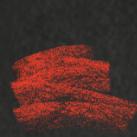
Accountant Certificate:

If an accountant certificate is provided, we will confirm with the accountant that the total rental income is net of ALL costs including mortgage payment and tax liability.

As this income comes via an accountant's certificate, please add this as **self-employed income** and NOT rental income.



You can also **remove the buy-to-let mortgages from the mortgage section**. To do this, just change the balance and payment in this section to £0.



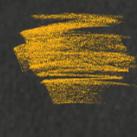
Self-assessments with tax overviews



Where a tax calculation is provided as evidence of rental income, we will calculate the monthly income net of tax and National Insurance. This income should be added as **self-employed income** and NOT rental income.

Due to recent rental tax changes and as the rental income has been declared to HMRC, we can't remove the buy-to-let mortgage payment completely. However, to make sure we don't stress test the payments please complete the following:

- In the **mortgage section**, please change the balance and payment of the mortgage(s) to £0.
- Next add the balance and payment of the mortgage(s) as an unsecured loan in the **unsecured credit section** on the same page.



Tenancy agreements

Where a tenancy agreement is used to support an application, we also require the land registry documents and evidence of the mortgage balance and payment.

The gross rental should be added as a monthly amount into the **rental income section** on the **affordability tab**. The borrower's **total gross taxable income** will also need inputting into the relevant section.



Please note: This figure is for all income so must include the annual gross rental payment along with any other earned / taxable income

As we are using a gross figure, we still need to deduct the mortgage payments to ensure we are using the correct amount. We can't remove the buy-to-let mortgage payments completely. However, to make sure we don't stress test the payments please complete the following:

- In the **mortgage section** please change the balance and payment of the mortgage(s) to £0.
- Next add the balance and payment of the mortgage(s) as an unsecured loan in the **unsecured credit section** on the same page.



Chalk Talk

Don't forget to view our videos on our [Chalk Talk page](#) where you'll find a further explanation on the above.



Get in touch!

Please contact
our team on
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for further support.