

Scottish Widows Bank Renovate Buy-To-Let Mortgage

Scottish Widows Bank has announced a number of enhancements to its Buy-to-Let Mortgage including, increased borrowing limits, improved underwriting and reduced rates.

The Bank will now offer up to 80% loan-to-value (LTV) to non-professional applicants and 85% LTV to applicants who qualify for the Bank's Professional Mortgage.

An improved underwriting process will mean that applicants borrowing up to 70% LTV no longer need to provide bank statements or confirmation of rental cover. Professional applicants borrowing between 70% and 85% LTV will only require confirmation of rental cover.

New interest rates have also been introduced by the Bank, including a base rate tracker at 0.5% above base rate for 2 years. The full-range of new rates available on the Buy-to-Let Mortgage are:

Product	Initial Rate	Revert to Rate
Base rate tracker	0.5% above base for 2 years (giving a current rate of 5.75%)	1% above base for the remaining period of the loan
2 year fixed rate	5.99%	1% above base (currently 6.25%)
5 year fixed rate	5.79%	1% above base (currently 6.25%)

A further feature will allow the arrangement fee of £595, applicable to all of these rates, to be added to the value of the loan.

Richard Clark, head of product development and marketing at Scottish Widows Bank, commented: "The Buy-to-Let market has gone from strength to strength, highlighted by the latest statistics from the CML reporting strong performance in 2006. Despite the recent rate rises, the buy-to-let market shows no sign of slowing, spurred on by strong rental demand and rising rents.

"With these enhancements we have a competitive Buy-to-Let Mortgage product to offer landlords, both those already in the market and those thinking about buying their first Buy-to-Let property."

YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR OTHER LOAN SECURED ON IT.

Scottish Widows Bank plc, Company Number 154554, Registered in Scotland having its Registered Office at: PO Box 12757, 67 Morrison Street, Edinburgh EH3 8YJ. Scottish Widows Bank acts as an Introducer only to the Scottish Widows and Lloyds TSB Marketing Group, members of which are authorised and regulated by the Financial Services Authority, (FSA Reg.No.191517).

All of the product enhancements will be available to customers either directly with the Bank or through an intermediary.

Ends

Notes to Editors

Qualifying criteria

- Over 21 years of age.
- Homeowners.
- Only available in mainland UK.

Income criteria

Minimum income (non property related) – £25,000 (No income references will normally be taken for employed applicants. Accountant's certificate will be requested for self-employed applicants).

Rental yield to cover mortgage payments by a minimum of 120% based on an interest only mortgage at customer pay rate. A letter confirming rental income from a letting agent is acceptable evidence of rental income.

Approval is subject to a full financial assessment.

80% borrowing

Borrowing up to 80% of the purchase price or valuation of the property whichever is the lower, including costs.

85% borrowing

Borrowing up to 85% of the purchase price or valuation of the property whichever is the lower, including costs. (Available to applicants qualifying for the Scottish Widows Bank Professional Mortgage.)

Amount of mortgage (per property)

Minimum

£75,000.

Maximum

£300,000 for non-professionals/£400,000 for qualifying professionals.

Term

Minimum

5 years.

Maximum

25 years or normal retirement age, whichever is the earlier.

Up to 10% of the loan balance may be repaid, once a year by cheque, without an early repayment charge on fixed rates.

Remortgage

For applicants looking to remortgage we will also provide £300 cashback on completion.

Tenancy arrangements

The Tenancy must be via an Assured Shorthold Tenancy (England & Wales) or a Short Assured Tenancy (Scotland). Maximum of three tenants on one agreement. No DSS tenants permitted.

Letting terms

Minimum 6 months.

Maximum 12 months.

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Product Fee

£595 for tracker and fixed rates. Fee can be added to the value of the loan.

Property management service

No property management service insisted on. Tenancy agreement to be prepared by the solicitor.

Maximum number of properties

Three (Five for applicants who qualify for the Scottish Widows Bank Professional Mortgage).

Early repayment

Depending on the interest rate chosen, there may be an early repayment charge within any discounted or fixed-rate period. Please see 'Our Mortgage Rates' sheet for full details.

For further information, please contact:

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Scottish Widows news releases appear on our website at www.scottishwidows.co.uk/mediacentre

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