

Buy-To-Let Mortgages Factsheet and Eligibility Criteria

Updated July 2023

National Bank of Kuwait (International) PLC.

Registered in England & Wales with Company Number 02773743. Our registered office is NBK House, 13 George Street, London, W1U 3QJ, United Kingdom.

Authorised by the Prudential Regulation Authority ('PRA') and regulated by the Financial Conduct Authority and the PRA (firm reference number 171532).

Neglecting to make mortgage payments can result in the repossession of your property.

Your monthly mortgage payments will increase as the market base interest rate increases.

Please think carefully before securing debts against your property.

Personal Details	
Age of Borrower / Co-Borrower/ Guarantor	<ul style="list-style-type: none"> • Minimum age – 21 years • Maximum age at the maturity of loan Salaried: 65 years Self-employed: 75 years
Residency status	<ul style="list-style-type: none"> • Residents or nationals of Bahrain, Kuwait, Qatar, Saudi Arabia, and UAE <p>[Loans to individuals residing in other countries not stated above may be considered on a case by case basis].</p>
Type of applicants	Individual (Single or Joint) Loans may be booked in the names of an offshore company or Special Purpose Vehicle('SPV') if there are no such legal or regulatory restrictions.
Source of Income	
Employed or Self Employed	<ul style="list-style-type: none"> • Employed - Salary income (net of taxes) plus bonus, commission, and overtime payments from employment. Should be in current employment for minimum 6 months and in continuous employment for minimum 12 months. • Self Employed – personal income from the business for the last three years. Should be in the business for minimum 36 months. • Any other regular income i.e. rental income, income from investments etc.
Minimum monthly income requirement	<ul style="list-style-type: none"> • Salaried: Equivalent of GBP 7,000 (must be evidenced via bank statements for at least 6 months) • Self Employed: Equivalent of GBP 10,000 (must be evidenced via bank statements for at least 6 months)
Minimum rental coverage required (net of charges)	<ul style="list-style-type: none"> • 125% of the monthly interest cost for the proposed loan. <p>[Example: Gross monthly rent =£1,500, management fee by letting agency =£150 monthly. Therefore, the net monthly rental income is £1350. Monthly Loan interest charge is £1,080. Therefore, net rental cover = 125% (£1,350/£1,080)]</p>
Credit History	
Credit history	<ul style="list-style-type: none"> • Clean credit history required. • The following credit reports to be obtained depending on the domicile of the borrower: <p>[Kuwait (Ci-Net), Bahrain (Credit Bureau Reference), Jordan (CBJ Risk Report), Lebanon (Central Du Risqué), Saudi Arabia (SIMAH), UAE (AI Etihad Credit Bureau Report).]</p>
Eligible Properties	
Property type	<p>Standard residential property</p> <ul style="list-style-type: none"> • Freehold and Leasehold properties (residential house/ apartments) • Ready to move in or under construction (subject to expected completion of project within 6 months from loan application). • In case of Leasehold properties, the residual lease period should be minimum 85 years at loan maturity. <p>[The maximum number of properties to be financed under Buy-to-Let mortgage for an applicant is restricted to 10 units only.]</p>
Location of the property	<p>London or Greater London</p> <p>[Other areas in the UK will be considered on a case-by-case basis.]</p>

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EPC Rating	Properties with EPC rating A, B, C, D or E I. EPC stands for energy performance certificate. II. An EPC rating is a review of a property's energy efficiency.			
Purpose of the property	Buy-to-Let			
Finance Features				
Repayment tenor	Minimum: 5 years Maximum: 20 years			
Type of repayment	<ul style="list-style-type: none"> Interest loan only: Max tenor 5 years Amortising loan: Max tenor 20 years <p>[Your principal repayment amount will be fixed throughout the loan term, while your interest payment will vary depending on the Bank of England Base Rate change]</p>			
Repayment frequency	<ul style="list-style-type: none"> Amortising Loan For Salaried clients: Monthly For Self Employed clients: Monthly or quarterly Bullet Repayment/Interest only Interest to be serviced monthly or quarterly and bullet principal repayment at the end of loan tenor in full. You must ensure that you have sufficient funds from your own resources to repay the loan in full. 			
Loan amount	Minimum loan: GBP 200,000 Maximum loan: GBP 2,500,000			
Loan to Value ratio ('LTV') (Indicative, these may vary according to location of property & type of property)	Amortising Loans			Non-Amortising Loans
	Location Category	Property Type	Tenor ≤ 15 years AND ≤ 2 property loans AND no policy exceptions	
	London ¹	Existing	75%*	65%*
		New Build ³	65%	60%
	London ² Non-Prime	Existing	70%*	60%*
New Build ³		60%	55%	
<p>*Applicable to existing NBK Group clients with at least a minimum of 6 months banking relationship with NBK. For new or non-NBK clients, the LTV will be reduced by 5% (unless exception approved by applicable credit committee).</p> <p>1. Prime Locations in London. 2. London non-prime refers to properties located in London only. 3. New Build Property Type means a dwelling that has been completed within 3 years before the commencement of the loan.</p>				
Affordability	Your monthly disposable income must provide at least 2 times coverage for new monthly loan payment amount [Disposable income is the income considered by the Bank after all expenses, including other loans, are accounted for from your gross monthly income. Example: If your disposable income = £1,000 per month, then your new loan monthly payment cannot exceed £500 per month]			
Indicative interest rate / loan arrangement fee applicable	<ul style="list-style-type: none"> Bank of England Base Rate + 2.5% (Minimum rate: 3.0%) – the margin can vary. <p>[Interest rate is variable means the interest rate you pay can change, if Bank of England base rates goes up your interest rate will go up and vice versa.]</p> <ul style="list-style-type: none"> Arrangement fee: 1% of the loan amount (Minimum GBP2k) 			

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Other indicative charges applicable	<ul style="list-style-type: none">• Refer to Solicitors and Surveyors Tariff and Charges• Stamp Duty charge – depends on the value of the property & number of properties you own.• Property letting management fee.• Landlord Insurance• Rented property license fee (wherever applicable)
Offer validity	3 months from the date of formal Offer Letter.
Security	<ul style="list-style-type: none">• First Charge on the property being financed.• Rental assignment in favour of the Bank• Duty of care agreement with property management agent to be in place (where more than 2 properties are involved)• Personal Guarantee ('PG') may be required (if applicable)*• For Kingdom of Saudi Arabia ('KSA') based borrowers - a promissory note based on KSA law for the full loan amount must be in place.• Building insurance of the property must be in place and paid by the borrower.• NBKI interest to be noted on the property insurance policy. <p>[*PG is a promise from the borrower/individual to the lender that they will personally be liable for the loan]</p>
Minimum loan lock in period	1 year
Early repayment charge for full loan	1% on the prepaid amount if repaid before the 1 st anniversary of loan drawdown date

Documents Required for Evidence

Salaried	<ul style="list-style-type: none">• KYC documents of borrower / guarantors• Last 6 months' salary slips along with the bank statements, wherein the salary is credited.• Salary certificate confirming the salary details.• Net Worth statements.• Proof of any other income• Credit report from local Credit Bureau• [We may require additional documents for verification]
Self Employed	<ul style="list-style-type: none">• KYC Documents of borrower / guarantors• Audited financial statement for the last three years.• Personal Bank Statements for at least 6 months• Net Worth statements.• Proof of any other income <p>[We may require additional documents for verification]</p>

Useful external website links

EPC Rating	https://www.gov.uk/find-energy-certificate
Flood Risk	https://check-long-term-flood-risk.service.gov.uk/postcode
Stamp Duty	https://www.gov.uk/stamp-duty-land-tax/residential-property-rates

Risk Warnings

- 1. Interest Rate Risk:** Please note that the interest rate on a mortgage loan with NBK may change over time. Our mortgage is a variable-rate mortgage, meaning your monthly payments may increase or decrease depending on Benchmark interest rates (Bank of England Rate). It is essential to consider your affordability in the event of interest rate fluctuations.
- 2. Credit Risk:** All mortgage loans are subject to credit approval, and ability to repay the loan will be assessed based on various factors, including a person's income, employment history, credit score, and financial obligations. Failure to meet mortgage repayment obligations may result in adverse consequences, including repossession of your property.
- 3. Property Valuation Risk:** The value of a property may fluctuate over time due to market conditions and other factors. In the event that the value of a property decreases, it may impact your ability to refinance or sell the property in the future.
- 4. Insurance Risk:** It is strongly recommended to obtain appropriate insurance coverage for your property, including buildings insurance, to protect against unforeseen events such as fire, theft, or other damage. Failure to maintain adequate insurance coverage may result in financial loss.
- 5. Early Repayment Charges:** If you decide to repay your mortgage loan before the agreed-upon term or make significant overpayments, early repayment charges may apply. It is important to review the terms and conditions of your mortgage agreement to understand these charges fully.

Contact Us

If you're a potential customer who wants more information or an agreement in principle, or if you're an existing customer, you can reach out to us through the following channels:

Call or Email us Existing customer: Call or email your dedicated Relationship Manager at NBK New customer: Call us on +44 20 7224 2277 or email us info@nbki.com	Visit us in London Address: NBK House, 13 George Street, London W1U 3QJ Opening hours: Head Office: Monday to Friday between 9:00 and 17:00 Branch: Monday to Friday between 9:30 and 16:00	Contact your local NBK Branch Your existing Relationship Manager in Kuwait, Saudi Arabia, United Arab Emirates, Bahrain, Egypt, Lebanon, Iraq will put you in contact with us directly for further assistance.
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