

Family Building Society announces significant affordability and criteria improvements alongside rate reductions.

Reduced minimum Income Coverage Ratio increases maximum borrowing power for limited company landlords and changes to affordability stress test will allow for greater borrowing for many owner occupier borrowers.

Family Building Society has today (30 July) reduced the minimum Interest Coverage Ratio requirement for all Limited Company BTL applications to 125%. Further improvements to the buy to let range include Houses in Multiple Occupation (HMO) and Multi Unit Freehold Block (MUFB) applications now accepted up to a maximum of 75%. In addition, HMO applications will now be accepted for individual and expat landlords.

For owner occupier applications, stress test affordability changes (from 31 July) will produce a higher affordability result for most applications of between 9-13%. In addition, all interest only applications which have no associated cost to the repayment strategy (such as downsizing, sale of another property etc.) will be assessed against the interest-only payment regardless of the mortgage term requested.

Darren Deacon, Head of Intermediary Sales, commented, "Improving affordability options for our BTL and owner occupier products provides greater flexibility for borrowers looking to maximise their mortgage borrowing. The reduction of the ICR to 125% will be, I'm sure, particularly welcomed by limited company landlords. This change, alongside our philosophy of manual underwriting, flexible criteria and rate reductions will provide a real boost to intermediaries looking to provide more lender choice to their borrowers.

Repayment

Core range:

2-Year Fixed Rates have decreased by 0.05%. 5-year Fixed Rates are unchanged.

Joint Borrower Sole Proprietor (JBSP):

2-year Fixed Rates have decreased by 0.05%. 5-year Fixed Rates have decreased by 0.10% with no Application Fee for these products.

Family Mortgage:

The 95% LTV Family Mortgage has decreased by 0.10%.

Buy to Let Fixed Rates

UK Landlords

All 2- and 5-Year Fixed Rates have decreased by 0.05% with 2- and 5-Year Fixed Rates for HMO properties launched.

Limited Company BTL

All 2- and 5-Year Fixed Rates have decreased by 0.05%. New 5-Year Fixed Rate available through select intermediaries and packaging partners.

Expat BTL

2-Year Fixed Rates have decreased by 0.05%. 5 Year Fixed Rates are unchanged. 2- and 5-Year Fixed Rates for HMO properties launched.

Full details of all products are available here: <https://intermediaries.familybuildingsociety.co.uk/products>

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About Family Building Society

The Family Building Society, launched in July 2014, is a trading name of National Counties Building Society.

1. National Counties Building Society is the UK's eleventh largest building society, with over 69,000 members and £2.5bn of assets. Operating from its head office in Epsom, Surrey, the Society employs approximately 180 people and offers a range of competitive savings and mortgage products throughout the UK.
2. National Counties Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.
3. Eligible deposits with Family Building Society are protected up to a total of £85,000 by the Financial Services Compensation Scheme, the UK's deposit guarantee scheme.