

# The Criteria Corner



**Paradigm**  
MORTGAGE SERVICES

## Top tips from the Paradigm Mortgage Helpdesk

### Welcome back to The Criteria Corner!



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The Criteria Corner is our mini newsletter designed to give you a brief insight into the topics we see frequently on the Mortgage Helpdesk. We aim to provide you with some great hints and tips which will help you with future cases. If you think we may be able to assist with your next case, please don't hesitate to get in touch!

Limited company buy-to-let was once considered a specialist area of the mortgage market, with The Mortgage Works standing as the only mainstream lender actively supporting it since 2018. However, over the past year, we've seen a noticeable shift—more mainstream lenders are entering the limited company BTL space, and this trend shows no signs of slowing down.

This newsletter marks the first in a two-part series (part two arriving in October). In this edition, we'll introduce the fundamentals of limited company BTL, and share tips to help brokers.

For those who have never dealt with a limited company BTL application and are looking to learn more, Coventry BS, a recent addition to the pool, have published a [comprehensive guide](#) aimed towards brokers. It is also available inside our [CPD Academy](#).

### First time buyer?

We're seeing a growing number of first-time buyer applicants exploring limited company buy-to-let. This is often driven by two key motivations: preserving their first-time buyer stamp duty exemption for a future residential purchase, and laying the groundwork for a long-term investment strategy. While the strategy can be tax-efficient and forward-thinking, it also presents a unique risk profile.

Lending to a first-time buyer for a buy-to-let purchase via a limited company is considered higher risk. As a result, only a small number of lenders are currently willing to support these applications, some Lenders may even impose higher income requirements to offset the heightened risk.

**Lenders to consider: Castle Trust Bank, Gatehouse Bank, Hampshire Trust Bank, Hinckley & Rugby BS, Kensington, Leek BS, Mansfield BS, Market Financial Solutions, ModaMortgages, Molo Finance, RAW Capital Partners, Saffron BS, Together, Vida Homeloans and West One.**







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## Family Investment Companies (FICs)

A Family Investment Company (FIC) is a private limited company used to manage family wealth, often for estate planning. Parents typically hold the majority of voting shares, while children hold a minority; usually under 25%—often in non-voting shares. This structure allows lenders to underwrite only the parents. However, it's important to review the company's structure and SIC codes, as involvement of trusts or trading activity can limit lender options.

**Aldermore, Bath BS, CHL Mortgages, Fleet Mortgages, Foundation Homeloans, Gatehouse Bank, Hampshire Trust Bank, Kent Reliance, Keystone, Landbay, Leeds BS, LendInvest, Market Financial Solutions, Molo Finance, Paragon, Quantum Mortgages, RAW Capital Partners, Together, United Trust Bank, Vida Homeloans, West One and Zephyr Homeloans.**

## Share Purchase Agreements

With ongoing changes in the buy-to-let market, more landlords are choosing to "shut shop" and offload their portfolios. Increasingly, this is done by selling the SPV (Special Purpose Vehicle) that holds the properties, rather than selling the properties individually. This process is known as a Share Purchase Agreement (SPA).

An SPA can offer benefits—most notably stamp duty savings, since the transaction involves shares, not property. However, it's essential to work closely with the acting solicitor, as legal fees can be significant, and in some cases, may outweigh the stamp duty savings.

There are few Lenders that operate in this space and the following can be considered: **Castle Trust Bank, Keystone, Market Financial Solutions and Zephyr Homeloans,**

**Top Tip!** A special Mention to Market Financial Solutions who have provided a [CPD course on the topic](#) for those looking to learn more.

**To be continued in the October issue...**

*As always, we must advise that criteria does regularly change and therefore it is always prudent to double check with a Lender prior to submitting an application. Lenders provided are based on findings at the time of research, and may not include every option available.*

Do you have a suggestion for a topic?  
**Email** the team  
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