

Buy-to-let product guide

Non-portfolio - England & Wales

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3.50% 3 YEAR FIXED

£999 fee - 75% LTV

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3.59% 5 YEAR FIXED

£999 fee - 75% LTV

With effect from 17 July, we've made the required changes to Paragon's internal systems and processes, aligning with new Prudential Regulation Authority (PRA) mortgage regulation for portfolio and non-portfolio classifications.

We've created a simple customer placement flow to help you determine the correct route for your customer, and this can be found on both the product and literature sections on our website.

We offer a range of products designed for non-portfolio landlords, with up to three mortgaged properties, which are competitive, with simple lending criteria. We lend on single self-contained properties in England and Wales, to investors and landlords, including self-employed and Consumer buy-to-let customers.

Key criteria

Applies to all products

A non refundable application fee of £150 applies.

After the fixed term if the mortgage is interest only, it may be converted to capital and interest repayment, subject to 28 days' written notice.

All products are subject to availability of funds and withdrawal at any time.

APR calculated using an illustrative loan of £150,000.

All products are funded by Paragon Bank PLC.

Interest coverage ratio (ICR)

The gross rental income from the property should equal or exceed the ICR as determined using a combination of the tax band applicable to an applicant's income and the property type. The tax band applicable to the applicant with the highest income will be used. The calculation will be based on the amount requested, at either the product charging rate plus 2% or 5.5%, whichever is the greater. The exception to this rule will be 5 year fixed rate products, which will be calculated using the amount requested, at either the product charging rate or 4.00%, whichever is the greater. The applicable ICR rate will be shown against each product.

		PROPERTY TYPE	
		Single self contained unit (SSC)	
TAX STATUS	Basic rate tax payer (20%)		125%
	Higher rate tax payer (40%)		140%
	Additional rate tax payer (45%)		140%

We must be satisfied that the applicant(s) are able to withstand increases in mortgage interest rates, cover rental voids and be able to afford the mortgage now and after any fixed period expires.

Future affordability

To cater for the PRA affordability regulation, we've made some changes to our mortgage application system. We've kept the changes to a minimum, but we will now require a property schedule to be completed as part of the online application in every case (a PDF version of the property schedule is available on our website). We will also need to ask for more information about your customer's income to enable us to apply the appropriate tax band and ICR to the affordability assessment. This product guide sets out how all future applications will be assessed, and at what rate and ICR.

Advance

Up to 80% LTV	Up to 70% LTV	Minimum loan	Maximum aggregate loan	Min age	Minimum term	Maximum term
£500,000	£1,000,000	£30,000	A lending limit of £1,000,000, and no more than three properties (regardless of lender), including the subject property	21	5 years	25 years

Consumer buy-to-let

We will accept applications that qualify as consumer buy-to-let mortgage contracts, subject to all other criteria being met. More information concerning consumer buy-to-let can be found on our website www.paragonbank.co.uk

Fixed Rates

from 3.25%

Paragon Bank Standard
Variable Rate (SVR)

5.35%

Purchase and remortgage

Single, self-contained properties only; no limited companies.

2 YEAR FIXED RATES (75% LTV)

Code	Property Type	Initial Rate	Product Fee	Early Repayment Charge	APR	Reversion Rate	Product Specific Criteria	ICR Rate
BM1197	SSC	3.25%	£999	3% for 2 years	5.30%	Paragon SVR (currently 5.35%)	Max loan £500,000	5.50%
BM1198	SSC	3.45%	NIL	3% for 2 years	5.20%	Paragon SVR (currently 5.35%)		5.50%

2 YEAR FIXED RATE (80% LTV)

Code	Property Type	Initial Rate	Product Fee	Early Repayment Charge	APR	Reversion Rate	Product Specific Criteria	ICR Rate
BM2098	SSC	3.55%	NIL	3% for 2 years	5.30%	Paragon SVR (currently 5.35%)		5.55%

3 YEAR FIXED RATES (75% LTV)

Code	Property Type	Initial Rate	Product Fee	Early Repayment Charge	APR	Reversion Rate	Product Specific Criteria	ICR Rate
BM1200	SSC	3.50%	£999	3% for 3 years	5.20%	Paragon SVR (currently 5.35%)	Max loan £500,000	5.50%
BM1201	SSC	3.70%	NIL	3% for 3 years	5.20%	Paragon SVR (currently 5.35%)		5.70%

3 YEAR FIXED RATE (80% LTV)

Code	Property Type	Initial Rate	Product Fee	Early Repayment Charge	APR	Reversion Rate	Product Specific Criteria	ICR Rate
BM2100	SSC	3.80%	NIL	3% for 3 years	5.20%	Paragon SVR (currently 5.35%)		5.80%

Please refer to Paragon's Non-portfolio Lending guidelines and submission requirements for full criteria.

Fixed Rates

continued

Paragon Standard
Variable Rate (SVR)
5.35%

Purchase and remortgage

Single, self-contained properties only; no limited companies.

↓ 5 YEAR FIXED RATES (75% LTV)

Code	Property Type	Initial Rate	Product Fee	Early Repayment Charge	APR	Reversion Rate	Product Specific Criteria	ICR Rate
BM1203	SSC	3.59%	£999	5% in years 1 & 2 4% in years 3 & 4 3% in year 5	5.00%	Paragon SVR (currently 5.35%)	Max loan £500,000	4.00%
BM1204	SSC	3.75%	NIL	5% in years 1 & 2 4% in years 3 & 4 3% in year 5	5.00%	Paragon SVR (currently 5.35%)		4.00%

↓ 5 YEAR FIXED RATE (80% LTV)

Code	Property Type	Initial Rate	Product Fee	Early Repayment Charge	APR	Reversion Rate	Product Specific Criteria	ICR Rate
BM2102	SSC	3.70%	1.00%	5% in years 1 & 2 4% in years 3 & 4 3% in year 5	5.00%	Paragon SVR (currently 5.35%)		4.00%

Please refer to Paragon's Non-portfolio Lending guidelines and submission requirements for full criteria.

Fixed Rates

Paragon Standard
Variable Rate (SVR)

5.35%

Remortgage only – No legal fees

Single, self-contained properties only; no limited companies.

Please note that the No Legal Fees facility requires the choice of a legal service provider nominated by Paragon. The service provides for legal fees and disbursements limited to remortgages where all the land comprised in the title currently owned by the applicant will be charged to the lender. If this is not the case, or any other legal services are required, Paragon's nominated legal service provider may charge additional costs for which the applicant will be liable. In all cases, the nature of the additional work and costs will be agreed beforehand between the legal service provider and the applicant.

2 YEAR FIXED RATE (75% LTV)

Code	Property Type	Initial Rate	Product Fee	Early Repayment Charge	APR	Reversion Rate	Product Specific Criteria	ICR Rate
BM1199	SSC	3.65%	NIL	3% for 2 years	5.30%	Paragon SVR (currently 5.35%)		5.65%

2 YEAR FIXED RATE (80% LTV)

Code	Property Type	Initial Rate	Product Fee	Early Repayment Charge	APR	Reversion Rate	Product Specific Criteria	ICR Rate
BM2099	SSC	3.75%	NIL	3% for 2 years	5.30%	Paragon SVR (currently 5.35%)		5.75%

3 YEAR FIXED RATE (75% LTV)

Code	Property Type	Initial Rate	Product Fee	Early Repayment Charge	APR	Reversion Rate	Product Specific Criteria	ICR Rate
BM1202	SSC	3.80%	NIL	3% for 3 years	5.20%	Paragon SVR (currently 5.35%)		5.80%

3 YEAR FIXED RATE (80% LTV)

Code	Property Type	Initial Rate	Product Fee	Early Repayment Charge	APR	Reversion Rate	Product Specific Criteria	ICR Rate
BM2101	SSC	3.90%	NIL	3% for 3 years	5.20%	Paragon SVR (currently 5.35%)		5.90%

5 YEAR FIXED RATE (75% LTV)

Code	Property Type	Initial Rate	Product Fee	Early Repayment Charge	APR	Reversion Rate	Product Specific Criteria	ICR Rate
BM1205	SSC	3.85%	NIL	5% in years 1 & 2 4% in years 3 & 4 3% in year 5	5.00%	Paragon SVR (currently 5.35%)		4.00%

Please refer to Paragon's Non-portfolio Lending guidelines and submission requirements for full criteria.

General information

Fees

Application fee	Re-inspection fee	Product fee
A non refundable application fee on all submissions. ⇒ £150	If a re-inspection of the property becomes necessary at any time after the original valuation, a fee is charged and will be added to the loan unless it is paid in advance. ⇒ £100	This fee can be added to the loan and is excluded from the LTV calculation. ⇒ See individual product details
Funds transfer fee	Insurance contingency fee	Revised documents fee
Charges for the telegraphic transfer of funds to the solicitor will normally be added to the loan on completion of the mortgage. ⇒ £25	Where buildings insurance is not arranged with Paragon, a fee will be charged and is normally added to the loan on completion of the mortgage. ⇒ £25	This fee is payable where revision of an offer of loan is required. This fee will be added to the loan unless it is paid in advance. ⇒ £50

Valuation fee scale

Combined application fee and valuation fee.

Purchase price / remortgage estimated valuation	Combined application fee and valuation fee
£75,000 to £100,000	£430
£100,001 to £150,000	£450
£150,001 to £200,000	£490
£200,001 to £300,000	£545
£300,001 to £400,000	£600
£400,001 to £500,000	£640
£500,001 to £600,000	£720
£600,001 to £700,000	£800

Purchase price / remortgage estimated valuation	Combined application fee and valuation fee
£700,001 to £800,000	£840
£800,001 to £900,000	£900
£900,001 to £1,000,000	£965
£1,000,001 to £1,500,000	£1,150
£1,500,001 to £2,000,000	£1,400
£2,000,001 to £2,500,000	£1,650
£2,500,001 plus	Refer to lender

The total fee includes a non refundable application fee of £150. The mortgage valuation report is a Security Assessment carried out for the benefit of the Paragon Banking Group to determine if a property provides acceptable security for mortgage purposes. Where an internal inspection has been carried out and the proposed security is subsequently declined, a valuation report will not be made available although a summary will be given advising why the property is deemed to be unsuitable.

In conjunction with other criteria, we will assess the affordability of a mortgage based on the expected monthly income generated from letting the property to a tenant. The actual income generated may be different and can be influenced over time by changes within the rental market. The applicant(s) will remain responsible for meeting the costs of the mortgage and the additional costs associated with letting property for the duration of ownership. Please refer to our Non-portfolio Buy-to-let Lending guidelines and submission requirements for full criteria.

Paragon Bank PLC is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Registered in England number 05390593. Registered office 51 Homer Road, Solihull, West Midlands B91 3QJ. Paragon Bank PLC is registered on the Financial Services Register under the firm reference number 604551.

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