

Residential and Buy to Let evidence requirements guide October 2017

The following tables show our standard documentation requirements for evidence.

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Information

- This guide applies to both residential and Buy to Let mortgage applications unless stated otherwise.
- For Buy to Let mortgage applications, 100% of primary and secondary income can be used.
- Please make sure proof of income is obtained for each applicant prior to the date of the mortgage application and that it meets our income evidence requirements.
- All income evidence must be retained for a minimum of two years from completion.
- Please also refer to the guides for our requirements for payslips, bank statements and accountant's certificate on santanderforintermediaries.co.uk.

Section 1 – Employed income

We do not accept an employer's reference as proof of income. Where payslips are provided, they cannot be handwritten or amended in any way.

Primary income (100%)	Acceptable proof
Permanent contract of employment (basic salary)	<ul style="list-style-type: none"> ■ Latest monthly payslip (no older than two months from application date) or if paid more frequently than monthly, last four weeks' payslips required (no older than five weeks from application date).
Fixed term contracts	<ul style="list-style-type: none"> ■ Latest monthly payslip (no older than two months from application date) or if paid more frequently than monthly, last four weeks' payslips required (no older than five weeks from application date); and ■ Evidence of continuous employment for the last 12 months; and either ■ Confirmation from employer of long-term employment arrangement; or ■ Written confirmation from a reputable agency of secure further positions.
Employment in your own family's business (if the applicants hold less than 20% shareholding in the Company)	<p>If the applicants hold a 20% or more shareholding in the Company please see Section 3 'Self-employed income' for evidence requirements.</p> <ul style="list-style-type: none"> ■ Latest monthly payslip (no older than two months from application date) supported by YTD figures. If paid more frequently than monthly, last four weeks' payslips required (no older than five weeks from application date); and ■ Bank statements evidencing latest three months' salary credits.
Short term renewable contracts	<ul style="list-style-type: none"> ■ Latest monthly payslip (no older than two months from application date) or if paid more frequently than monthly, last four weeks' payslips required (no older than five weeks from application date); and ■ Contract from employer; and either ■ Confirmation of earlier contracts; or ■ The arrangement is confirmed as ongoing by the employer/agency.
Income during parental leave	<ul style="list-style-type: none"> ■ Latest payslip; and ■ Last payslip prior to parental/maternity leave showing the full salary; and ■ Alternative source of funds to support payments and living costs if income during parental/maternity leave is insufficient (e.g. savings). ■ Where an applicant intends to return to work on the same terms as before the start of parental/maternity leave, we will need confirmation of this in the 'General Notes' section on Introducer Internet. ■ Where an applicant (or either applicant if joint application) will be changing their working pattern following parental/maternity leave, we will need a letter from the applicant's employer confirming their return to work conditions. ■ Please make sure that you have included any anticipated childcare costs in non-regular expenditure. Where there will be no childcare costs please provide an explanation including details of alternative arrangements in the 'General Notes' section on Introducer Internet.
Other primary income (100%)	Acceptable proof
London weighting	<ul style="list-style-type: none"> ■ Latest monthly payslip (no older than two months from application date) supported by YTD figures. If paid more frequently than monthly, last four weeks' payslips required (no older than five weeks from application date).
Large town allowance	
Permanent shift allowance	
Employer's mortgage subsidy	
Housing allowance	
Car allowance	
Second job – where this is ongoing and sustainable	<ul style="list-style-type: none"> ■ Latest monthly payslip (no older than two months from application date) or if paid more frequently than monthly, last four weeks' payslips required (no older than five weeks from application date).
Secondary income (50%)	Acceptable proof
Discretionary mortgage subsidies and housing allowance	<p>Restricted term subsidies may be considered as a secondary income subject to a minimum term of five years:</p> <ul style="list-style-type: none"> ■ Contract of employment; and ■ Latest monthly payslip (no older than two months from application date) or if paid more frequently than monthly, last four weeks' payslips required (no older than five weeks from application date).

Section 2 – Bonus, commission or overtime

Primary income (100%)	Acceptable proof
Bonus, commission or overtime	<p>To use as primary income, amounts must be regular and consistent and not a short term trend. We'll use the lowest monthly payment from the last three months' payslips x12.</p> <ul style="list-style-type: none"> ■ If paid monthly, latest three months' payslips required. ■ If paid weekly, four weeks' consecutive payslips required, along with one payslip from each of the previous two months identifying the bonus/commissions/overtime payment. <p>If there is a significant difference in the amounts shown on the payslips and the year to date figure, please record in the 'General notes' section of Introducer Internet.</p>
Secondary income (50%)	Acceptable proof
Monthly bonus, commission or overtime	<p>Where amounts are regular but inconsistent. We'll use an average from the last three months' payslips x12</p> <ul style="list-style-type: none"> ■ If paid monthly, latest three months' payslips required. ■ If paid weekly, four weeks' consecutive payslips required, along with one payslip from each of the previous two months identifying the bonus/commissions/overtime payment.
Annual bonus or commission	<ul style="list-style-type: none"> ■ Most recent payslip showing bonus or commission payment; and ■ Previous payslip or P60 evidencing the bonus or commission paid in the previous tax year.
Bonus, commission or overtime paid less frequently than monthly e.g. quarterly	<ul style="list-style-type: none"> ■ Three payslips showing the last three bonus/commission/overtime payments received.

Section 3 – Self-employed income

Primary income (100%)	Acceptable proof
Employed income (salary) for Director of a limited company (where there is a 20% or more shareholding in a company the customer must be treated as self employed)	<ul style="list-style-type: none"> ■ Accountant's certificate (template on santanderforintermediaries.co.uk); or ■ Self Assessment Tax Calculation forms (SA302) plus Tax Year Overview (TYO) covering 24 trading months for residential mortgage applications and a minimum of one year for Buy to Let mortgage applications (SA302s and TYOs can be requested from the HMRC or via an online HMRC account).
Net profit of a sole trader/partnership (including limited liability partnerships)	<ul style="list-style-type: none"> ■ For all self-employed income proofs the most recent year-end must not be more than 18 months before the date of the application.
Other primary income (100%)	
Dividends for Directors (20% or more shareholding in a company); includes Alphabet shares	<ul style="list-style-type: none"> ■ If the applicants' dividends are exceeding net profit, the figure used for affordability must not exceed the net profit figure. We do not accept retained profits. <p>Loans over 90% LTV (residential only)</p> <ul style="list-style-type: none"> ■ Sole trader/partnership (including limited liability partnerships): three years' SA302s plus a Tax Year Overview for each corresponding tax year or accounts providing three years' trading figures signed by a suitably qualified accountant. ■ Director of a limited company: three years' SA302s plus a Tax Year Overview for each corresponding tax year and signed accounts providing three years' trading figures. <p>We reserve the right to request accounts where necessary. These must be final accounts and signed by a suitably qualified accountant. Please see below for acceptable accountant's qualifications.</p>
Employed in your own family's business	<ul style="list-style-type: none"> ■ If the applicants hold a 20% or more shareholding in the Company treat as self-employed. ■ Latest monthly payslip (no older than two months from application date) supported by YTD figures. If paid more frequently than monthly, last four weeks' payslips required (no older than five weeks from application date); and ■ Bank statements evidencing latest three months' salary credits.

Where there are unexplained downward trends or sharp increases in the most recent year's trading figures, please provide additional information to explain why.

Acceptable accountant's qualifications

We accept accountant's certificates produced and signed by an accountant that holds one of the qualifications listed below:

- Institute of Chartered Accountants in England & Wales – A.C.A or F.C.A
- Institute of Chartered Accountants of Scotland – C.A (Chartered Accountant), A.C.A.S or F.C.A.S
- Institute of Chartered Accountants in Ireland, also known as Chartered Accountants Ireland – C.A (Chartered Accountant)
- Association of Chartered Certified Accountants – A.C.C.A, F.C.C.A, A.A.P.A or F.A.P.A
- Association of Authorised Public Accountants – A.C.C.A, F.C.C.A, A.A.P.A or F.A.P.A
- Chartered Institute of Management Accountants – A.C.M.A or F.C.M.A
- Certified Public Accountants Association – A.C.P.A or F.C.P.A
- Association of Accounting Technicians – M.A.A.T or F.M.A.A.T
- Association of International Accountants – A.A.I.A or F.A.I.A [not FAIA (acad)]
- Chartered Institute of Taxation – C.T.A (Fellow), F.T.I.I (Fellow), C.T.A or A.T.I.I
- Institute of Financial Accountants – A.F.A (Associate) or F.F.A (Fellow)
- Chartered Institute of Public Finance & Accountancy – C.P.F.A.

Section 4 – Pension income

Primary income (100%)	Acceptable proof
Pensions and annuities (private/company) (currently receiving)	<ul style="list-style-type: none"> ■ Latest monthly pension payslip (no older than two months from application date) or if paid more frequently than monthly, last four weeks' payslips required (no older than five weeks from application date), or ■ The latest bank statement evidencing the payment from the pension company, together with either: <ol style="list-style-type: none"> a) Pension statement, or b) Annuity/Pension letter, or c) P60 (if not clear the P60 is related to pension/annuity then the covering letter must be provided from the pension/annuity provider). <p>Pension statements and annuity letters may not be handwritten or amended and must:</p> <ul style="list-style-type: none"> ■ show applicant's name and address, which must match that stated on the application form; ■ show pension/annuity company's name, address, telephone number and company's registration number (if Limited) and be on headed paper or show company stamp; ■ show pay dates; ■ cover at least one month (four consecutive weeks if paid weekly); ■ show gross income; ■ show net pay. <p>Pension statements (private/company) must:</p> <ul style="list-style-type: none"> ■ show regularity of payment; ■ not be older than 12 months. <p>Annuity letters must:</p> <ul style="list-style-type: none"> ■ show amount payable monthly; ■ not be older than 12 months. <p>Please note if a pension is paid less frequently than monthly, it will only be considered as secondary income.</p>
State Pension	<ul style="list-style-type: none"> ■ DWP (Pension service) state pension letter issued within the last 12 months; or ■ Latest bank statement identifying payment from DWP.

Section 5 – Benefits income

Other primary income (100%)	Acceptable proof
Working Tax Credit	<ul style="list-style-type: none"> ■ HMRC tax credit award letter or DWP child benefit letter (all pages); or ■ For Tax Credits, bank statements evidencing the last three months' tax credits (most recent statement to be no more than one month from application date); or ■ For Child Benefit, most recent bank statement/certified photocopy of building society or NS&I passbook evidencing the payment from the DWP source. ■ Where any applicant's total gross income is above £50,000, child benefit must not be included as a source of income.
Child Tax Credit	
Child Benefit	
Secondary income (50%)	Acceptable proof
State benefits (DWP/HMRC) confirmed as indefinite	<ul style="list-style-type: none"> ■ DWP/HMRC letter confirming the amount and benefit type.

Section 6 – Other income types

Secondary income (50%)	Acceptable proof
Investment income (excluding rental income)	<p>Evidence of a regular income from this source showing a consistent or improving return:</p> <ul style="list-style-type: none"> ■ Bank statements evidencing latest three months' income; and ■ Evidence of the source, e.g. portfolio of stocks and shares. <p>As investment income is complex and different for every case it is advised that you speak to your sales team about what evidence of the source is required.</p>
Rental income from properties already let Allowable annual rental income as calculated in Introducer Internet or our affordability calculator	<ul style="list-style-type: none"> ■ Bank statements evidencing latest three months' rental income; or ■ Two years' self-employed accounts (if applicable). <p>Please note that rental income from other Buy to Let properties cannot be used for Buy to Let mortgage applications.</p>
Maintenance payments	<ul style="list-style-type: none"> ■ Bank statements evidencing latest three months' maintenance payments (most recent statement to be no more than one month from application date).
Fostering income	<ul style="list-style-type: none"> ■ Confirmation from authority that it has been ongoing and how long it is likely to continue; and ■ Details of future placements (where relevant); and either ■ Bank statements evidencing latest three months' income; or ■ Self-employed accounts (if applicable).

Section 7 – Proof of deposit (residential only)

Acceptable proof

When proof of deposit is required this can be:

- Copy of savings book or bank statement showing the full amount of the deposit.
- Equity – confirmation of the sale price and balance outstanding.
- Capital raised from another property – copy of the mortgage offer letter.
- Endowment/Investment Policy Maturity – letter showing maturity value.
- Letter signed by the person making the gift confirming the amount and on what terms.

This list is not exhaustive and other methods may be acceptable.

Section 8 – Interest only mortgages – acceptable repayment vehicles (residential only)

Sale of the mortgage property	Evidence required
Sale of the mortgaged property	<ul style="list-style-type: none"> ■ Minimum £150,000 equity in the property. ■ Confirmation in Introducer Internet of customer's future plans following the sale of this residential mortgaged property and that they will have sufficient equity/funds to carry out those future plans. ■ Where 'Purchase a new residential property' is stated as the future plan and the remaining loan term is less than ten years, additional information is required on property location, type and size. ■ Complete the 'Interest Only – Sale of Mortgaged Property Customer Declaration' and upload via MATS immediately following submission of the mortgage application. <p>Evidence of this information must be retained on file. Please refer to our Interest only repayment vehicle guide on santanderforintermediaries.co.uk for full details.</p> <p>We undertake regular checks to assess the plausibility of your client's repayment strategy and we may request further information or evidence.</p>

Investment vehicle	Value based on	Evidence required
Mortgage-related endowment or mortgage-related ISA	Mid-point projection at maturity	<ul style="list-style-type: none"> ■ Latest annual statement from the life company showing the projected value (must not be more than 15 months old). ■ Use the median/middle figure for mortgage-related endowments or mortgage-related ISA at the term end, as detailed on the latest statement.
Investment portfolio: shares, unit trusts, Open Ended Investment Companies (OEICs), Investment Bond	Current cash value	<ul style="list-style-type: none"> ■ Latest statement issued by the administering company (must not be more than 12 months old). ■ Must show current investment value from last statement. ■ Use 100% of the current value only, with no growth projections or added sums, even where future monthly investments are being factored into expenditure.

All evidence must be:

- Provided by MATS document upload when the mortgage application is submitted.
- Retained on file for a minimum of two years from the date of application.

We undertake regular checks to assess the plausibility of your client's repayment strategy and we may request further information or evidence.

Investment vehicle – acceptable proof

- Investments may be held in an ISA but this is not a requirement. Cash ISAs are not acceptable.
- Must have been held for a minimum of 12 months and cover the interest only amount.
- Must be administered by an FCA regulated financial services firm with an 'authorised' or 'EEA authorised' status.
- All owners of the repayment vehicle must match the names shown on the application.
- The applicants must not have reduced their holding since the last statement.

We do not accept any other repayment vehicle: For example pensions, sale of other properties (including BTLs), bonuses, overpayments, cash savings (including cash ISA) or inheritance.