

SOURCE OF DEPOSIT INFORMATION



Kensington

To help give you the information you need to place your clients' case, we've put together a detailed guide to our source of deposit requirements.

General

- ✓ If your client is providing the funds for their deposit, we will always ask to see evidence of the source of the funds.
- ✓ In some cases, our underwriters may ask for more information in relation to how the funds have built up especially if large deposits have recently been transferred into an account. This could be a request to see additional bank or building society statements to show how the funds have grown over time.
- ✓ Deposit monies need to have been in a UK bank or building society, current or savings account for at least 3 months when the application is submitted. Unless, for example, it is from a recent UK transaction such as a remortgage or the Government Help to Buy scheme (Residential properties only)
- ✗ We're unable to accept screenshots of balances. Please provide full bank statements
- ✗ We're unable to accept further borrowing (unsecured loans, funding from credit cards, repayment of a loan from a third party, etc.) as deposits. The Government Help to Buy scheme equity loan is acceptable
- ✗ Vendor deposits are unacceptable
- ✗ Cryptocurrency (e.g. bitcoin) is unacceptable

Gifted Deposits - Residential

- Gifted deposits can come from up to 3 different sources
- Gifted deposits are only accepted from immediate family members. If the donor is not a parent, step-parent or grandparent, they will need to be a UK homeowner.
- The donor will need to complete a Donor Gift Deposit Declaration form and provide supporting ID such as a passport or driving licence.
- The Donor(s) will need to be able to provide evidence that the funds they are gifting have been held in **their own** current or savings account for a minimum of 3 months, in a UK bank or building society account.

Gifted Deposits - BTL

- Gifted deposits are not accepted on loans over £500,000
- Gifted deposits are only accepted from immediate family members. If the Donor is not an immediate family member parent, step-parent, grandparent or spouse, they will need to be a UK homeowner.
- The donor will need to complete a Donor Gift Deposit Declaration form and provide supporting ID such as a passport or driving licence.
- The Donor(s) will need to be able to provide evidence that the funds they are gifting have been held in **their own** current or savings account for a minimum of 3 months, in a UK bank or building society account.
- We can only accept Gifted Deposits from a maximum of 3 sources for Non-Limited Company Buy to Let applications.

For Limited Company applications:

- Deposits must be accrued from the directors' personal funds.
- In some cases, a directors loan is acceptable as a source of deposit as it is not treated as a gifted deposit.
- We can only accept Gifted Deposits from a maximum of 4 sources where each Director is providing their share of deposit.
- Intercompany loans are an acceptable source of deposit provided the company structures (ownership and directorship) are identical
- Gifted deposits are only acceptable if they come from:
 - Company Directors (where the Company Director will be providing a Personal Guarantee on the Limited Company BTL application)
 - The Director's personal funds or from equity (where the Director sells the individually owned property to the Limited Company)
 - **Gifted deposits from family members are not acceptable**

Builders Deposits

We can accept builder deposits when all the following are true:

- The builder is a verifiable NHBC registered company
- The surveyor is aware of any incentives and has taken them into consideration when placing a value on the property. The UK Finance disclosure of incentives form must be in the possession of the valuer in every case
- The builder deposit is a maximum 5%
- The property is a new build

Help to Buy Wales

- Help to Buy Wales accepted on residential applications only
- We'll need to see the Help to Buy Agency Authority to Proceed letter
- Property must have an EPC level of A or B to qualify
- Help to Buy Wales deposit acceptable up to 20%
- The total LTV must be between 25% and 75%
- The applicant(s) must provide at least a 5% deposit
- The maximum property value is £300,000