

FOR THE USE OF MORTGAGE INTERMEDIARIES AND OTHER  
PROFESSIONALS ONLY.

# SOURCE OF DEPOSIT GUIDANCE NOTES

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## **For all Buy to Let applications, excluding remortgages, the source of deposit must be captured.**

Where deposit verification is requested you will need to provide the following documents as a minimum:

### **Equity or Previous Property Sale:**

- The credit reference summary should confirm that a mortgage already exists
- If no mortgage is found, in order to validate the equity amount, a copy of the most recent mortgage statement (within the last 12 months) will be requested along with the Sales particulars
- If the customer is remortgaging or taking a further advance, we would want to either see the funds in an account (follow savings) or an offer guaranteeing the lending.

### **Gift:**

You will need to provide a letter, written by the donor, that includes the following:

- Addressed to Birmingham Midshires
- Details the person(s) gifting the deposit and the current name/address of the applicant(s), together with the property being purchased
- Confirms the relationship between the donor(s) and the applicant(s). The donor should be a family member
- The donor's full address and is signed
- The amount of deposit, the deposit is non repayable and that the donor will hold no interest in the property following completion of the mortgage
- The latest bank statement or passbook from the donor showing evidence of the deposit funds in the donor account
- Dated within the last 3 months.

### **Savings Including Funds from Previous Property Sale:**

#### **Current Account, ISA or Savings Accounts:**

- Latest 3 months' statements, showing applicant(s) name, sort code, account number and company name (or latest annual statement if longer term savings plan) showing a balance adequate to cover the deposit amount
- Or passbook showing applicant(s) name and account number covering the latest 3 months' transactions and a closing balance covering the deposit amount required
- Any recent large or unusual deposits into the account will require clarification to ascertain proof of origination.

## Shares or Premium Bonds:

- Share certificate showing applicants name and address with evidence of current share value calculation showing the value of shares eg 5000 shares × £3 current share price = £15,000
- Premium Bond certificate showing name of applicant and value of premium bond(s) held with supporting documentation if applicant(s) name and address is not shown.

## Other Source:

- We will need to ascertain exactly where the deposit is coming from. If the deposit type does not align to one of the above listed options, it is not acceptable.

## Loan:

- Deposit funds should come from a personal stake, and as such, a deposit provided by way of a loan is not acceptable.

## Inheritance:

Received in the last 3 months:

- Latest 3 months' statements, showing applicant(s) name, sort code and account number
- Or passbook showing applicant(s) name and account number covering the latest 3 months' transactions
- Solicitors Letter addressed to Birmingham Midshires, confirming applicants name & address and the source of the inheritance.

Received over 3 months ago:

- Latest 3 months' statements, showing applicant(s) name, sort code, account number and company name (or latest annual statement if longer term savings plan)
- Or passbook showing applicant(s) name and account number covering the latest 3 months' transactions.

# GET IN TOUCH

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