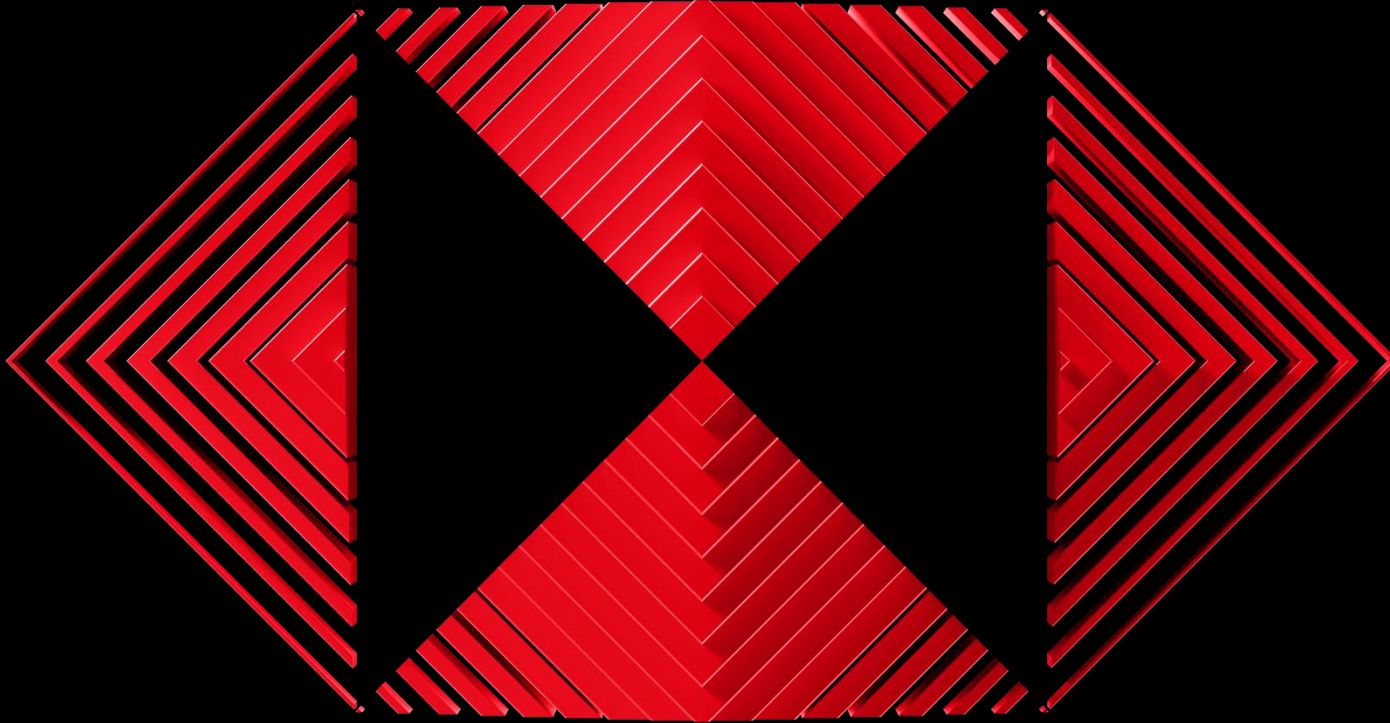


# HSBC UK Useful Guide



## Overseas Customers



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## Why choose HSBC UK?

- ♦ Borrowing available for non-UK residents for both Residential and Buy to let (BTL) applications
- ♦ Over 150 foreign currency incomes are accepted
- ♦ Applications can be completed for Purchase, Remortgage, Unencumbered Remortgage, Additional borrowing, Porting and Product switches
- ♦ Lending can be on a Capital repayment or Interest only basis
- ♦ BTL applications are assessed on a rental funded basis only at 145% (high-rate tax status applied)
- ♦ For BTL customers a maximum of three mortgaged BTL properties, at the end of the application, are permitted, and overall £2m BTL borrowing held with HSBC UK.



## Criteria

For international applications, overseas housing costs such as rent / utilities must be included (Residential applications only), plus any outstanding credit commitments (Residential and BTL applications). A Credit Reference Agency (CRA) report dated within the last 90 days, is also required. Please see the documents section for more information.

- ♦ Minimum income of £75,000 per annum (excluding bonus, commission and overtime – please note for BTL applications rental income is also excluded). For joint applications at least one applicant must meet this criteria
- ♦ Maximum LTV of 75% for mortgage borrowing and additional lending
- ♦ Additional lending cannot be used for debt consolidation
- ♦ Deposit is funded from the customer's own resources. Gifts are not acceptable, unless they are in addition to the 25% deposit provided from the applicants' own resources. Gifted deposits are allowed from a family member who is a HSBC Group Jade or Private Banking Customer
- ♦ They must hold a UK bank account to service the mortgage
- ♦ Customer must reside in one of the approved countries (see below).





## Exceptions to policy

If the customer lives in an approved country and meets the following criteria, applications can be submitted under our standard residential policy rather than our international policy:

- ♦ The customer is in the British Armed Forces
- ♦ The customer is a UK national / foreign national with indefinite leave to remain / enter in the UK, and is relocating / moving back to the UK within six months of the application submission (subject to supporting evidence being provided and reviewed by our underwriting team)
- ♦ The customer is a UK national, classes themselves as living in the UK and we are satisfied they meet one of the following:
  - ♦ Working overseas on a temporary or short-term basis - these customers will have an end date and will be returning to the UK. The end date must be evidenced within the evidential documentation provided
  - ♦ Travels as part of their job



## Foreign currency income

We accept a number of foreign currency incomes. You must make your customer(s) aware of the risks of potential exchange rate fluctuations and an example of the potential impact of 20% exchange rate fluctuation will be provided in the Mortgage Illustration. HSBC UK will notify the customer of the potential impact of an exchange rate fluctuation if there is an adverse fluctuation of more than 20%.

**If the customer lives in a foreign country or is paid in a foreign currency, this needs to be captured. For any foreign currency values other than GBP, within the application, please input the source country and currency however the amount should then be converted, using an appropriate currency conversion tool, and the figure entered as GBP amount in the application**

Foreign currency income is subject to a haircut within automated affordability calculations. For a list of acceptable foreign currencies and the percentage haircuts please refer to our [foreign currency matrix](#).

## Approved countries



- |               |  |
|---------------|--|
| ♦ Australia*  | ♦ Qatar*   |
| ♦ Egypt       | ♦ Singapore  |
| ♦ Guernsey    | ♦ Switzerland  |
| ♦ Hong Kong   | ♦ Taiwan   |
| ♦ Isle of Man | ♦ UAE*   |
| ♦ Jersey      | Includes: Abu Dhabi, Ajman, Dubai, Fujairah, Ras-al-Khaimah, |
| ♦ Malaysia    | Sharjah & Umm al-Quwain                                      |
| ♦ Philippines | ♦ USA  |

\*Additional requirements apply



## Documentation required

Proof of income – Employed:

- ♦ The latest three months' worth of payslips must be provided.

Proof of income – Self-employed:

- ♦ Residential – Latest two-year average or latest year if lower. For customers trading for less than two years or do not have the first two years trading accounts we will average the one year's income over a two-year period
- ♦ BTL – Latest years income

Sole Trader / Partnerships / LLP's – less than 50 partners:

- ♦ Tax calculations & Tax Year Overviews required
  - ♦ Profit from Self-employment – Sole Trader
  - ♦ Profit form partnerships – Partnerships / LLP

Limited companies:

- ♦ Salary and share of net profits
- ♦ 25% shareholding or more applies
- ♦ Less than 25% shareholding net profit will be classed as employed. If needed for affordability can be progressed using both employed income and net profit.

- ♦ Letter from the Finance Director, Manager of Partner Affairs / Accounts or company accountant confirming the income. The letter must contain:
  - ♦ Customers earnings over the past two years;
  - ♦ Date joined the business;
  - ♦ Date they were made a partner, along with
  - ♦ Authors job title and any accountancy qualifications.

Additional supporting evidence / documentation is required depending on the type of Self-employment. Full details of the requirements are available on our [website](#).

#### Proof of expenditure

- ♦ The latest three months' personal bank statements for current accounts where income is received and committed expenditure paid from
- ♦ Latest credit card statements from Australia, Singapore and Switzerland (where applicable) for Residential applications.

#### ID and address verification

- ♦ Documentation will be required for all overseas customers.

#### Credit Reference Agency (CRA) report

- ♦ Customer(s) who have lived in the UK less than 12 months must provide a Credit Reference Agency report from their previous country of residence. A CRA report is required for all non UK residents from their current country of residence or previous country of residence if they lived at current address less than 6 months.

#### Proof of deposit

- ♦ Evidence of the 25% deposit from own funds will be required.

#### Case summary

- ♦ Please complete the [KYC form](#).



#### Translation of documents

We will only accept document translations from a recognised translation company, provided we can verify via their website. When submitting the foreign language documents, please provide the English translations as well as the original documents.





## Affordability calculator

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For Residential and BTL applications, foreign currency income should be calculated in GBP.

For Residential cases the appropriate [haircut](#) must be applied. Standard UK tax is applied on our calculator, if the requested borrowing amount is showing as unaffordable, and the amount of tax paid by the customer is lower than UK rate, please contact our Broker Support helpdesk to assist with a more detailed calculation.



## DIP / Application

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Please enter the full GBP equivalent income as the system will apply the haircut based on the country / currency selected.



## Further information

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[Chat with us](#), call our Broker Support Team on 0345 600 5847 (Monday to Friday 9am to 5pm) or contact your local [BDM](#).