Title: How to Get a Bad Credit Buy to Let Mortgage

Meta Description: Looking to build a property portfolio but think you’ll be held back by your bad credit rating? Find Out How To Get A Bad Credit Buy To Let Mortgage

**Can I Get A Buy To Let Mortgage With Bad Credit?**

If you’re considering becoming a landlord, or expanding your current property portfolio, but have bad credit history, you might think it isn’t possible as you may struggle to get a buy to let mortgage. The good news is that a lot of the time this simply isn’t the case, and there are still options for you to get a buy to let mortgage, even if you have poor credit history. If you aren’t sure of how to do this, then keep reading.

A buy to let mortgage, to become a landlord where you let out a property for profit, has quite different lending criteria to a standard home mortgage. Many people are under the impression that if you have bad credit history, getting a mortgage isn’t possible. However, this is not the case. If you conduct the right amount of research and contact an expert broker who specialises in [buy to let mortgage bad credit](https://www.simplyadverse.co.uk/buy-to-let-mortgage-bad-credit), you might find that it is easier than you think. The process may not be as simple as if you had an excellent credit rating, but it is certainly achievable.

While there are going to be a smaller range of mortgages available to you, using a broker is going to be a big help. This is because many buy to let bad credit mortgages are only available through mortgage professionals. The benefit of using a bad credit specialist mortgage broker is they know which lenders to approach, so you definitely want an expert broker on your side.

**What’s Considered Bad Credit?**

Your credit file is a record of your financial history over the last six years, and this is how your credit score is determined. If your credit history indicates that you have missed payments on mobile phone contracts, car leases, or your mortgage, then this will contribute to you having a low credit score.

Considered more significant and leading to even lower ‘bad credit scores’, are mortgage arrears, bankruptcy and County Court Judgements (CCJs) registered against you, or any debt management plans or Individual Voluntary Arrangements (IVAs) that you’ve entered in to. Even with some of these in your credit history, it can be possible to get bad credit buy to let mortgages, it just makes the process harder.

**Think About Affordability**

Affordability can be a tricky concept, but it’s important to realise that when you are looking for a buy to let mortgage with bad credit, this is not the same situation as for a home buyer mortgage. Typically, the rental income you will receive from the property must cover the mortgage payments by at least 125%. This could be higher or lower depending on the lender and your circumstances. In the case of higher rate taxpayers, this could be over 145% and for top rate tax payers as much as 160%. What does this mean?

Example affordability calculations (for illustration purposes only)

* For a buy to let mortgage of £200,000, at a standard interest rate of 5%
* That will equate to monthly interest payment of £834
  + This means for 125%, you will need at least £1,043 as a monthly rental income
  + For a higher rate tax payer, you would need rental income of over £1,168
  + If you’re a top rate tax payer, you would need rental income of over £1,335

**What Else To Consider**

The main other key element to consider is your deposit. You want to make sure that you have as large a deposit as possible to maximise your chances of getting a buy to let mortgage, especially with bad credit. As the loan to value, affordability element, your monthly interest payments and risk to lenders are all reduced the larger your deposit.

You might think that your age could be a potential issue. This isn’t something that you need to worry about, as buy to let mortgages are based on rental income affordability, rather than how old you are.

You should always consider the impact that borrowing could have on your life and finances. When you apply for a buy to let mortgage, you are often borrowing the money that you need on an interest only basis. This means that at the end of the loan you have only paid off the interest, not the actual amount borrowed. The repayments and what would happen if the property was empty are sometimes an afterthought. You either need to save to repay the loan, or be prepared to sell the property at the end of the loan term to cover the repayment. There are also insurance policies available to cover the rent on empty buy to let properties.

**The Best Way To Get A Buy To Let Mortgage**

You should ensure that you have checked your credit score and reviewed the details prior to applying for a mortgage loan. By doing this, you will be able to provide all the relevant information when you are asked, which will strengthen your case. The key to affordability is to look for properties that have a good rental yield, as this will make the mortgage lender more inclined to accept your application.

To access the best mortgage loans possible, use a whole of market professional bad credit mortgage broker like [Simply Adverse](https://www.simplyadverse.co.uk/), rather than using a high street bank. A specialist broker is going to be able to place your mortgage with the right lenders, getting you the best deal possible based on your personal circumstances.