

A loan-level data collection for buy-to-let lending: Definitions (Phase 3)

A) General guidance

These definitions relate to phase 3 attributes to be reported from 2018 Q3.

This collection should be completed only by those institutions specifically asked to do so by the Bank of England. Institutions are required to report where the banking group carries out gross flows of new buy-to-let lending in excess of £10m and 5 loans annually. Although this threshold is applied at the group level, individual entities that form part of a group are expected to report, except where an entity lends less than £10m and 5 loans per year and contributes less than 2% of the number of new loans within a group.

Legal basis

The data is being collected under Section 17 of the Bank of England Act 1998. For more information about powers of the Bank, offences, restrictions on onward disclosure of information and the Data Protection Act 1998, please see point 1 of:

https://www.bankofengland.co.uk/-/media/boe/files/statistics/data-collection/def_gene2014.pdf?la=en&hash=6BDE29460DB223328C20145C61F007321067D9F3

Scope of collection

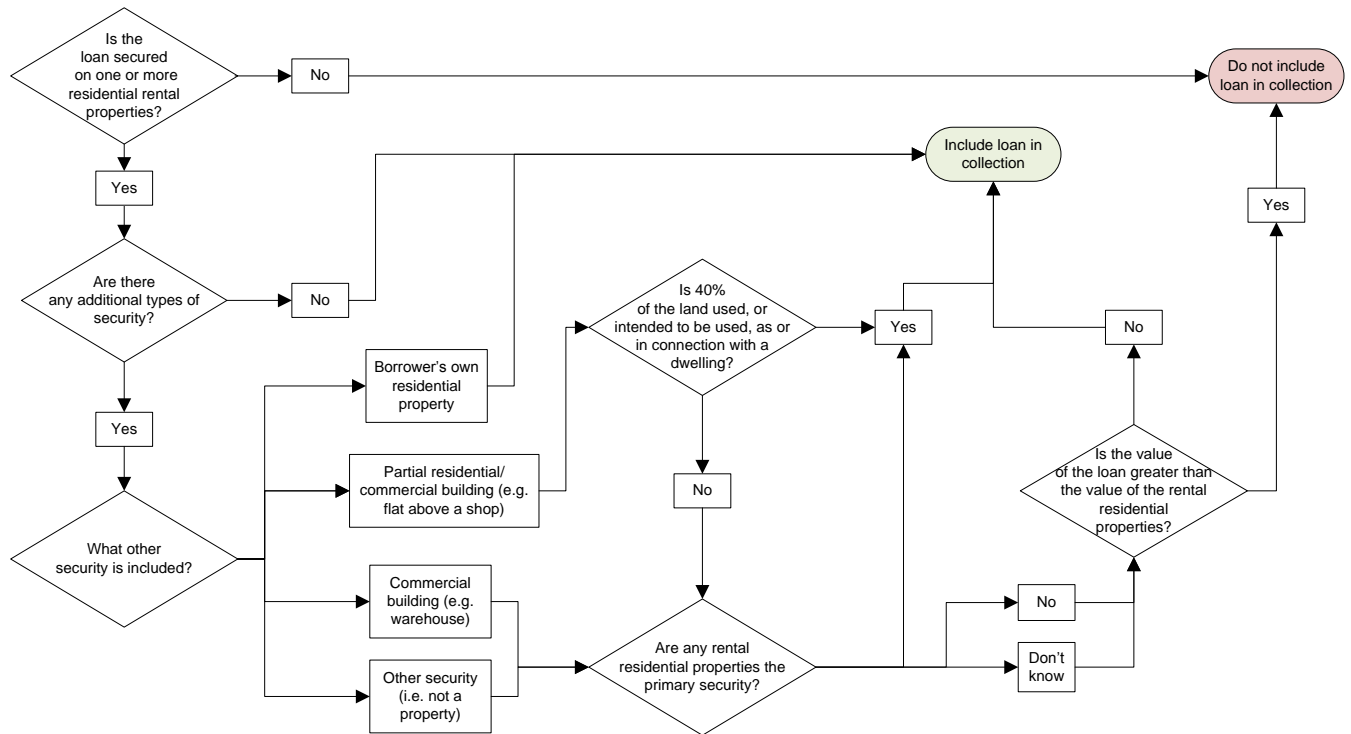
These requirements only relate to loans in the corporate book. Firms should only report loans according to the decision tree below, which are secured on rental residential properties, where the loan assessment is made on the basis that the secured lending will be subject to a rental agreement (whether current or intended). This should include loans within the corporate book that meet the following criteria:

- (a) the lender provides credit to the borrower;
- (b) the obligation of the borrower to repay is secured on land, whether or not in the United Kingdom;
- (c) at least 40% of the land is used, or is intended to be used, as or in connection with a dwelling; and
- (d) the land subject to the loan is to be occupied on the basis of a rental agreement.

Loans should be fully secured by a first or subsequent equitable or legal charge. For loans with multiple security types, loans should only be reported where the rental residential property is the first security to utilise in the case of default, or where the value of the loan is less than the value of the rental residential property.

Include all loans fully secured on residential rented properties, irrespective of their purpose (e.g. house purchase, home improvements or car loan), and whether secured by a first or subsequent charge.

Decision tree to indicate which corporate loans should be included within phase 3



Examples of reporting loans backed by different types of security

Example	Number of loans	Value of loan	Security	Value of security	Description	Report
1	2	£400,000	1 rental residential property	£400,000	One of the loans is fully secured by the residential property and the value of the loan is not greater than the value of the rental residential property. A separate loan is secured by the warehouse	Yes
		£500,000	1 warehouse	£500,000		No
2	1	£400,000	1 rental residential property (primary security)	£400,000	The value of the loan is not greater than the value of the rental residential property, and the rental property is the primary security.	Yes
			1 warehouse	£500,000		
3	1	£900,000	1 rental residential property	£400,000	The value of the loan is greater than the value of the rental residential property and the rental property is not the primary security.	No
			1 warehouse (primary)	£500,000		

			security)			
4	1	£1,000,000	1 rental residential property	£400,000	The flat is more than 40% of the property, which is therefore residential.	Yes
			1 flat with a shop (where flat is more than 40% of property)	£600,000		
5	1	£1,200,000	1 rental residential property	£400,000	The value of the loan is greater than the value of the rental residential properties, because the flat and the shop are separate properties.	No
			1 flat	£300,000		
			1 shop	£500,000		

Exclusions

The following types of loans should not be reported:

- Holiday lets;
- Buy-to-let products within the retail book. These should be reported in the retail collection (see phase 1 and 2 definitions);
- Loans to housing associations;
- Loans to real estate investment trusts (REITS);
- Loans for construction of new builds;
- Development loans (i.e. loans that are purely for development purposes and the assessment of the loan does not include prospective rental income);
- Student blocks where the purpose of the building is solely for students (e.g. halls of residency);
- Bridging loans;
- Any packages of loans secured on let residential property acquired from other lenders;
- When the ownership of a property is transferred from an individual to a corporation for administrative purposes this is not treated as new business and should not be reported unless a further advance is taken out at that point; and
- Loans that are part of a loan package involving multiple forms of collateral (unless that collateral is the borrower's own residence). Loans secured on multiple let properties should be included.

Geographical and counterparty scope

This collection covers buy-to-let lending to UK residents, secured on land and buildings whether or not in the United Kingdom. The collection also includes lending to non-UK residents secured on land and buildings in the United Kingdom. The collection does not cover buy-to-let lending solely to non-

residents, secured on land and buildings outside of the United Kingdom. In the absence of any physical dimension to an enterprise, the country of residence should be determined by the country of incorporation rather than the country of location and operation. Therefore, an enterprise that merely has a 'brass-plate' presence in a country should be classified as a resident of that country. This is consistent with how residency is defined within the [European System of Accounts 2010 guidance](#) (paragraphs 2.07 to 2.09).

Reporting basis

All monetary values should be reported in sterling regardless of the currency of the original transaction, with translation into sterling in accordance with the [General Notes and Definitions](#) for statistical reporting.

Reporting should be carried out on the basis of calendar quarters. This collection captures all buy-to-let loans originating in the reference quarter.

Revisions

The Bank expects returns to be completed with due care and attention. However, as a result of its quality assurance process and subsequent dialogue with the reporter, revisions may be required. Alternatively, the reporter may identify potential revisions independently and should raise these with the Bank prior to resubmission. If requested to do so by the Bank, reporters must be able to provide corrected returns. Reporters should not put in place any processes or systems that restrict or discourage the resubmission of statistical returns.

Where revisions need to be reported to a loan, the whole loan submission may be deleted or it may be amended, by reporting amended values for the relevant attribute(s).

B) Field-by-field definitions

Submission information

Submitting Firm Reference

Enter the Firm Legal Entity Identifier (LEI) of the firm providing the data. If the LEI is not available, enter the FCA Firm Reference Number (FRN).

Loan attributes

Transaction Reference

Enter a unique reference for the transaction, internal to the reporting firm, that can be used to identify individual records (e.g. an account number or application number etc.), restricted to twenty characters. The transaction reference must be unique across all submissions across all reporting periods for new loans. For corrected or deleted loans, the transactions reference reported in a resubmitted report must match a transaction reference in an original submission or previous resubmission. In the case of further advances and second charge loans, a new transaction reference should be provided.

Book Type

Confirm that the loan is classified as:

- **C:** Corporate book – This would include any loans fully secured on residential properties in the corporate book.

Account Open Date

Enter the date of the loan completion or drawdown of funds, using the format YYYY-MM-DD. All loans reported within the quarter should have an account open date relating to that quarter. Loans purchased from another firm should not be included.

Loan Type

Enter the loan type. The following options are allowable for corporate loans:

- **HP** Purchase of residential property for letting defined as new secured lending where the borrower is purchasing a property or properties.
- **IR:** Improvements to rental property defined as new secured lending for the purpose of improving the rental property. Development loans (i.e. loans that are purely for development purposes and the assessment of the loan does not include prospective rental income) should be excluded. Further advances for improvements to rental property should be included here, where identifiable.
- **RE:** Refinancing occurs when a borrower redeems their current secured loan in favour of an alternative loan secured on the same property through a different lender. This should include cases where a borrower refinances from one lender to a different lender within the same group. Loans made on previously unencumbered properties should be reported here.

- **FA:** A further advance should capture further advances to an existing borrower of the firm, secured on an existing property as the original loan. It should also include 'internal refinancing' (i.e. replacing an existing loan with a new loan secured on the same property by one of a firm's existing borrowers), but only where the borrower is increasing the overall secured debt. This will not always be transacted in exactly the same way by different lenders. Regardless of whether a firm genuinely treats the advance of new money as a further advance or whether the old loan is formally replaced with a new loan of increased size, the net increase should be reported here. The drawdown on revolving loans should not be reported as a further advance. Further advances reported under 'IR' should not also be reported here.
- **SC:** Second charge loans are secured lending with secondary priority behind the borrower's main (first charge) loan.
- **O:** Other use
- **NK:** Not known

Drawdown (*replacement of loan amount*)

Report the amount of each loan drawdown in the quarter. This may be the drawdown at loan origination, or when further subsequent drawdowns are made. In the case of mixed interest rate options or where the loan is otherwise split into more than one part, this field should contain the total loan amount drawn down

For further advances and second charge loans report the amount of additional borrowing only. Where one loan is redeemed with the same lender and a new loan drawn for a higher amount, the amount of additional borrowing should be the size of the new loan amount less the value of the previous loan balance outstanding.

For refinancing, report the total drawdown.

Extra Money Lent

For refinancing, report the amount of extra money lent, where the new loan is larger than the previous loan, represented as a sterling equivalent amount. The reported value should be the extra money lent as the size of the new loan reported less the value of the previous loan outstanding immediately prior to completion.

Report '0' if no extra money was lent or the new loan is smaller than the previous loan.

Report '0' if loan type is anything other than a refinance. Extra money lent through further advances should be reported within the loan amount.

Purpose of Additional Funds

Enter the main purpose of extra money lent. Allowable options are:

- **E:** Extra funds lent to purchase residential property for letting (to expand or re-leverage BTL portfolio)
- **I:** Extra funds lent for improvements to rental property.
- **O:** Extra funds lent for other use.
- **NA:** Not applicable (for categories 'HP' and 'IR' in loan type).
- **NE:** No extra money lent.
- **NK:** Not known.

In the case that more than one option applies, report according to the largest element or main purpose of the loan.

Currency

Enter the currency that the original transaction was made in. Allowable options are:

- **GBP:** Pound sterling
- **EUR:** Euros
- **USD:** US dollar
- **JPY:** Japanese yen
- **OTH:** Other foreign currency

For transactions made in multiple currencies, report the currency for the largest element of the loan.

Lender Fee Amount

Report all fees and charges charged by the lender in the balance included in the calculation of the annual percentage rate (e.g. application, reservation and valuation fees). For example, fees for advising on or arranging the loan contract, and product fees such as application, reservation and valuation fees. These should not include any fees paid by the lender which are not passed onto the customer. All fees reported here should only be those borne by the customer.

Report '0' where there are no lender fees.

Loan Term

Enter the term of the loan in months at the date reported in Account Open Date.

This is the length of the loan from the date the product was opened until the maturity of the loan.

Where the loan is split into more than one part, report the term applying to the largest part of the loan.

Where there is no agreed term report:

- **NA:** Not applicable.

Repayment Method

Enter the repayment method at point of origination. Allowable options are:

- **C:** Capital and interest (Fully amortising)
- **I:** Interest Only
- **M:** Part and Part (Partially amortising)

Non-amortising balance

If 'M: Part and Part (Partially amortising)', report the expected residual loan value for bullet repayment or refinancing at date of maturity. Report as a sterling equivalent amount. If Repayment Method is 'C' or 'I', report:

- **NA:** Not applicable

Initial Gross Rate

Enter the initial gross nominal rate of interest charged on the loan at origination to 2 decimal places (e.g. 4.99). This should take account of any discount being provided.

This should exclude fees and cashback.

If there are multiple elements of the same loan report the interest rate applied to the largest element of the loan.

For further advances and second charge loans, the rate should apply to this element of the loan.

Interest Rate Type

Enter the interest type at the point of loan origination. If there are multiple products related to the same loan report the interest rate applied to the largest element of the loan. Allowable options are:

- **F:** Fixed rate. Under a fixed rate loan, the interest rate remains the same throughout the period of the deal, even if there is a change in the Bank of England Bank Rate. After the fixed period ends the loan will automatically move to a reversion rate. This should include stepped rates.
- **L:** Floating rate. A floating interest rate is linked to a reference rate (e.g. Bank Rate, LIBOR, the institution's standard variable rate, or equivalent) and/or can change throughout the life of the loan or within a fixed term.
- **O:** Other.

Stressed Rate Assessment

Enter how stressed interest rates were used in the affordability assessment. Allowable options are:

- **I:** Stress interest rate used to assess individual loan.
- **W:** Stress interest rate used to assess the wider portfolio.
- **B:** Stress interest rate used to assess both the individual loan and the wider portfolio.
- **NU:** Not used

Stressed Rate

Enter the 'Stressed' Interest rate used in the assessment of affordability to 2 decimal places. This is the interest rate used in the assessment of affordability to take account of future interest rate changes.

Report the actual rate used, e.g. sum of product rate plus any increment or flat rate. If the origination rate is used as the stressed rate, report the origination rate.

If different stressed interest rates are used as part of the assessment, report the lowest stress interest rate used.

If the stressed rate was not used in the affordability assessment, report:

- **NU:** Not used

Type of Affordability Assessment

Enter how the affordability of the loan was assessed on application. Allowable options are:

- **I:** Affordability of the loan tested solely on the interest coverage ratio (ICR) of an individual loan.
- **D:** Affordability of the loan tested solely on the debt service cover ratio (DSCR) of an individual loan.
- **W:** Affordability of the loan assessed on the ICR or DSCR of the wider portfolio.
- **P:** Affordability of the loan assessed solely on other income of the wider portfolio.
- **F:** Affordability of the loan assessed on other source of income/wealth.
- **C:** A combination of affordability assessment types.
- **NA:** Not assessed.

For this purpose, ICR is defined as the ratio of the expected monthly rental income from the buy-to-let property to the monthly interest payments. DSCR is defined as the annual rental income generated by a property, at least partially financed by debt and net of any operational expenses to maintain the property's value, relative to the annual debt service (interest and capital repayments) on the loan secured by the property.

Assessed Portfolio ICR

If the affordability of the loan has been assessed using the wider portfolio, enter the ICR ratio for the wider portfolio at the time of the latest drawdown at the stress interest rate used for the assessment. If a stress interest rate was not used report the ICR at the product rate. If the Type of Affordability Assessment = 'I', 'D', 'P', 'F' or 'NA' report:

- **NA:** Not applicable.

Assessed Portfolio DSCR

If the affordability of the loan has been assessed using the wider portfolio, enter the DSCR ratio for the wider portfolio at the time of the latest drawdown at the stress interest rate used for the assessment. If a stress interest rate was not used report the ICR at the product rate. If the Type of Affordability Assessment = 'I', 'D', 'P', 'F' or 'NA' report:

- **NA:** Not applicable.

Type of Security Assessment

Enter how the adequacy of the security of the loan was assessed on application.

- **I:** LTV solely of individual loan.
- **W:** LTV solely of wider portfolio.
- **R:** Recourse to other assets of borrower/guarantor.
- **C:** A combination of security assessment types
- **NA:** Not assessed

Assessed Portfolio LTV

If the security of the loan has been assessed using the wider portfolio, enter the LTV ratio for the wider portfolio at the time of the latest drawdown. If the Type of Security Assessment = 'I', 'R' or 'NA' report:

- **NA:** Not applicable.

Property Attributes

Please report each of the following property attributes for each buy-to-let property which the loan is secured against subject to a rental agreement. Properties may be listed in any order, but the ordering must be consistent across the following attributes. If the number of properties is more than twenty, one reference should be supplied for all properties combined.

Property Reference

Enter a unique reference for each residential property for rental, internal to the reporting firm that can be used to identify the properties, restricted to twenty characters. These should be static over time. This could be the Land Registry number or a unique property reference number used by the local council. The latter may be more appropriate where the Land Registry hold both a leasehold and a freehold title number for a property.

Where the loan is secured against more than twenty properties, one reference should be supplied for all properties combined, based on the most valuable property in the portfolio.

Property Post Code

Report the postcode for each residential property for rental taken as security. For new build properties (i.e. if New Dwelling equals 'N') firms may be able to only report the first half of the postcode (e.g. AB1). In all other cases, the full postcode should be provided (e.g. AB1 2CD).

If the property is located outside of the UK, report this as:

- **O:** outside the UK.

For properties located outside the UK, only property reference and property value need to be reported under property attributes.

Where the loan is secured against more than twenty properties and covers multiple postcodes, report this as:

- **M:** multiple properties.

New Dwelling

Enter whether the dwelling is new. Allowable options are:

- **N:** New dwelling
- **E:** Existing dwelling
- **NK:** Not known
- **NA:** Not available

If multiple properties are combined under one property reference, report for the largest portion by loan value.

Report 'N' if the property is a new build property, i.e. the dwelling is being occupied for the first time. It does not include new conversions of older dwellings.

Report 'NA' if the property is located outside of the UK.

Property Value

Report the market value of each residential property for rental. The value reported should be based on the surveyors' valuation, a valuation index, or other method that the product provider used to determine the market value used in the assessment of the application.

If multiple properties are combined under one property reference, report the total property value for all properties.

Monthly Rental Income

Report the value of expected gross rental income per month for each residential property for rental. This should be the rental income used in underwriting. Where payments are to be collected on a basis other than monthly, such as quarterly or annually, report the monthly equivalent (e.g. for annual payments, report one twelfth of the annual payment).

If rental income has not been used, or if the property is located outside of the UK, report:

- **NA:** Not applicable.

If multiple properties are reported under one property reference, report the total monthly rental income for all those properties.

Type of Dwelling

Enter the dwelling type. Allowable options are:

- **X:** House (all types)
- **F:** Converted flat or maisonette
- **P:** Purpose-built flat or maisonette
- **A:** Flat: type unknown
- **U:** Multi-unit-freehold blocks (MUFBs) (i.e. several units on one freehold title).

- **C:** Part-commercial (i.e. a flat above a shop).
- **M:** Multiple properties.
- **O:** Other.
- **NK:** Not known.
- **NA:** Not applicable.

Report 'NA' if the property is located outside of the UK.

Houses in Multiple Occupation

Enter whether the dwelling will be used as a House in Multiple Occupation (HMO). Allowable options are:

- **Y:** Yes.
- **N:** No.
- **NK:** Not known.
- **NA:** Not applicable.

Report 'Y' where the borrower is applying for an HMO licence, or an HMO licence is already in place. A dwelling should be classified as an HMO in accordance with the definition used by the lender for the purposes of assessing the affordability.

Report 'NA' if the property is located outside of the UK.

If multiple properties are combined under one property reference, report for the largest portion by loan value.

Borrower attributes

Please report the following information for each named borrower. Borrowers may be listed in any order, but the ordering must be consistent across the following items.

Borrower Reference

Enter a unique reference for each borrower, internal to the reporting firm that can be used to identify individual borrowers, restricted to twenty characters. These should be static over time. If multiple people take out a loan jointly for a single property, the borrower references should uniquely identify all borrowers. Where a customer uses multiple limited companies or partnerships to manage their buy-to-let portfolio, the borrower reference should identify each SME uniquely. If a unique borrower reference is not available across multiple borrowers, a borrower reference should be reported with 1, 2, 3 etc. added to the end.

Borrower Sector

Enter the sectoral classification of each borrower. Allowable options are:

- **I:** Individuals (and individual trusts).
- **U:** Unincorporated business (other than unlimited liability partnerships).
- **S:** Small and medium private non-financial corporations (PNFCs).

- **L:** Large PNFCs.
- **O:** Other. Other financial corporations (OFCs) should be included here.

PNFCs with an annual debit turnover of up to £25m should be reported as an SME. PNFCs with an annual debit turnover of over £25m on the firm's business accounts should be reported as a large corporate. Limited partnerships and limited liability partnerships, which derive their status from the Limited Partnerships Act 1907 and Limited Liability Partnerships Act 2000 respectively, should be classified as financial or non-financial corporations. Unlimited liability partnerships should be reported as financial or non-financial corporations.

See the [Classification of accounts](#) guide for further information.

Recourse

Enter whether the loan is subject to a personal guarantee or lender has recourse to other assets.

Allowable options are:

- **G:** Loan is subject to a personal guarantee (e.g. by shareholder(s) or director(s)) and lender does not have recourse to other assets.
- **R:** Lender has recourse to other assets, but loan is not subject to a personal guarantee.
- **B:** Loan is subject to a personal guarantee and lender has recourse to other assets.
- **N:** Loan is not subject to a personal guarantee and lender does not have recourse to other assets.

Appendix 1: List of phase 3 attributes

Attribute	Data type	Enumeration
Submission attributes		
Submitting Firm Reference	String	
Loan attributes (to be reported for each loan)		
Transaction Reference	String	
Book Type	Category	C: Corporate book ¹
Account Open Date	Date (YYYY-MM-DD)	
Loan Type	Category	HP: Purchase of residential property for letting IR: Improvements to rental property ¹ RE: Refinancing FA: Further advance SC: Second charge O: Other use ¹ NK: Not known
Drawdown ²	Numeric (£)	
Extra Money Lent	Numeric (£)	
Purpose of Additional Funds	Category	E: Extra funds lent to purchase residential property for letting (to expand or re-leverage BTL portfolio) I: Extra funds lent for improvements to rental property O: Extra funds lent for other use NA: Not applicable NE: No extra money lent NK: Not known
Currency	Category	GBP: Pound sterling EUR: Euros USD: US dollar JPY: Japanese yen OTH: Other foreign currency
Lender Fee Amount	Numeric (£)	
Loan Term ³	Integer (months)	NA: Not applicable ¹
Repayment Method	Category	C: Capital and interest (Fully amortising) I: Interest Only M: Part and Part (Partially amortising)
Non-amortising balance ⁴	Numeric (£)	NA: Not applicable
Initial Gross Rate	Numeric (%) - 2dp	
Interest Rate Type ¹	Category	F: Fixed rate L: Floating rate ¹ O: Other
Stressed Rate Assessment ⁴	Category	I: Individual loan. W: Wider portfolio. B: Both individual loan and wider portfolio NU: Not used
Stressed Rate	Numeric (%) - 2dp	NU: Not used ¹
Type of Affordability Assessment	Category	I: Interest coverage ratio (ICR) of an individual loan D: Debt service cover ratio (DSCR) of an individual loan ¹ W: ICR or DSCR of the wider portfolio ¹ P: Other income of the wider portfolio ¹ F: Other source of income/wealth ¹ C: Combination of affordability assessment types ¹

¹ Enumeration has been amended compared to phases 1 and/or 2.

² Drawdown has replaced Loan Amount, for phases 1 and 2.

³ Loan Term was called Mortgage Term in phases 1 and 2.

⁴ New attribute for phase 3.

		NA: Not assessed
Type of Security Assessment ⁴	Category	I: LTV solely of individual loan W: LTV solely of wider portfolio R: Recourse to other assets of borrower/guarantor C: Combination of security assessment types NA: Not assessed
Portfolio attributes		
Assessed Portfolio ICR ⁴	Numeric (%) - 2dp	NA: Not applicable
Assessed Portfolio DSCR ⁴	Numeric (%) - 2dp	NA: Not applicable
Assessed Portfolio LTV ⁴	Numeric (%) - 2dp	NA: Not applicable
Property attributes (in the case of multiple properties to be reported for each property)		
Property Reference	String	
Property Post Code	String	O: Outside the UK M: Multiple properties ¹
New Dwelling	Category	N: New dwelling E: Existing dwelling NK: Not known NA: Not available
Property Value	Numeric (£)	
Monthly Rental Income	Numeric (£)	NA: Not applicable
Type of Dwelling	Category	X: House (all types) ¹ F: Converted flat or maisonette P: Purpose-built flat or maisonette A: Flat: type unknown U: Multi-unit freehold blocks (MUFBs) C: Part-commercial (i.e. a flat above a shop) M: Multiple properties. O: Other NK: Not known NA: Not applicable
Houses in Multiple Occupation	Category	Y: Yes N: No NK: Not known NA: Not applicable
Borrower attributes (in the case of multiple borrowers to be reported for each borrower)		
Borrower Reference	String	
Borrower Sector	Category	I: Individuals and individual trusts. U: Unincorporated business S: SME L: Large corporates O: Other
Recourse ⁴	Category	G: Personal guarantee only R: Recourse only B: Both personal guarantee and recourse N: Neither personal guarantee nor recourse