

Furnished Holiday Let (FHL) Fact Sheet

This fact sheet is available in large print. Please call 01282 440500* or send an email to mortgages@themarsden.co.uk and we'll be happy to send you a copy.

This fact sheet is to provide you with a summary of important information your mortgage adviser will have talked to you about when you discussed your mortgage requirements. If you are unclear about anything listed within this fact sheet, please speak to your mortgage adviser or your solicitor.

Loan Purpose	
Mortgage	Your mortgage will allow you to purchase/remortgage a property that you do not intend to permanently reside in. For your property to qualify as an FHL, you cannot reside there for more than 90 days in any one year.
Letting your property	The Society will consent to your property being let for short-term holiday rentals only. If you decide you want to let your property on a longer-term lease, you must contact the Society for approval.
Loan Repayment	
Repayment only	A mortgage is a long-term commitment. If you have applied for a loan to release capital for personal use, you will be required to make monthly mortgage repayments for the term of the loan.
Interest only	If you select the interest only option, your mortgage payments only go towards the interest charged - you don't actually repay any of the money you originally borrowed (the capital). This means you need to make other arrangements for paying back the capital at the end of the mortgage term. The Society will consider sale of the mortgage security as a suitable repayment vehicle.
Portability	If you wish to move your mortgage to another holiday let property, we may consider transferring the product to the new house. The decision to do this will depend on such factors as you continuing to meet the eligibility affordability criteria.
Affordability	
Loan repayments	The Society has assessed affordability for this loan based on an average of the expected rental income to be achieved. In the event you are unable to rent your property, or your rental income reduces, you are still required to maintain the payments from your own personal resources.
Regulations	
Regulatory requirements	You must ensure all required gas and electricity certificate safety checks are compliant for your property at all times.
FHL Criteria	
To qualify as an FHL, your property must be:	<ul style="list-style-type: none"> • In the UK; • Furnished - there must be sufficient furniture provided for normal occupation and your visitors must be entitled to use the furniture; • Commercially let (you must intend to make a profit). If you let the property out of season to cover costs but did not make a profit, the letting will still be treated as commercial; • Taxed as a single UK FHL business; • Pass 3 occupancy conditions as follows: <ul style="list-style-type: none"> • Pattern of Occupancy - If the total of all lettings that exceed 31 continuous days is more than 155 days during the year, this condition is not met so your property will not be an FHL for that year. • Availability - Your property must be available for letting as furnished holiday accommodation for at least 210 days in the year, not including any personal use. • Letting - You must let the property commercially as furnished holiday accommodation to the public for at least 105 days in the year. This does not include letting to friends or family at zero or reduced rates. Longer-term lets of more than 31 days are not permitted and should also be excluded. • Averaging and period of grace elections are acceptable (if you have more than one property).

Once you have considered all the important information contained within this fact sheet, if you are happy to proceed, please **sign and return one copy of the document to the Society** at the following address:

Lending Services, Marsden Building Society, 6-20 Russell Street, Nelson, Lancashire BB9 7NJ.

Further help and advice is available from <https://www.gov.uk/government/publications/furnished-holiday-lettings-hs253-self-assessment-helpsheet/hs253-furnished-holiday-lettings-2021>

Declaration

By signing this fact sheet I/we confirm that I/we have fully read and understand the nature of the commitment I/we are entering into.

Signed	
Date	

Signed	
Date	



TRUSTED BY YOU SINCE 1860

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.

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