



Foreign national in the UK?
Everything you need to know
about getting a mortgage



According to the **most recent figures**, 1 in 11 people living in the UK have the nationality of a different country. More than six million foreign nationals live here, including 3.7 million EU nationals.

There are lots of reasons why you might end up living in the UK:

- You came here to study and have decided to live and work here.
- Your career or job brought you to the UK.
- Your partner is from the UK.
- You have family ties, past or present, with the UK.

Whatever the reason for arriving in the UK, there's a strong chance you might want to buy a property here. Buying might offer more security for you and your family than renting. It may be a more cost-effective way of living in the UK. And buying a home might help you strengthen your ties to the UK.

The UK's migrant population is concentrated in London.

Around 35% of people living in the UK who were born abroad live in the capital city.

However, one of the challenges you may face is that lenders have a myriad of different criteria when lending to foreign nationals. If you approach many high street banks and building societies direct, you'll find that they have a range of different rules for foreign nationals that can be difficult to navigate.

We can help. Thanks to our expertise, knowledge, and industry contacts we can get the finance our foreign national clients need. Often, this will be through a mainstream lender at highly competitive rates. We can also use specialist or smaller lenders when we need to.

In this guide, you'll find lots of useful information about how to put yourself in the best position to buy in the UK.

Wide experience of helping foreign nationals



If you're a foreign national looking to buy a home in the UK, we can help. We have wide experience of helping clients to get the finance they need to buy a UK property - often with mainstream lenders.

Call: +44 (0) 20 3786 7270

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Your visa and residency status

If you're a foreign national buying a property in the UK, some of the first questions a lender will ask will focus on your residency status. You can expect a lender to ask:

- How long have you lived in the UK?
- How long do you plan to remain here?
- Do you have indefinite leave to remain in the UK?
- If you have a visa, how long is remaining on your visa to stay in the UK?
- What sort of visa is it (e.g. a spouse or student visa, a Tier 2 visa, etc.)?

If you're intending to buy here, and want to borrow to fund the purchase, it stands to reason that a lender will want to know that you are able to remain in the UK.

Typically, a lender will want you to have lived or worked in the UK for at least three years before considering an application. More flexible lenders, however, can consider borrowers who've only been in the country for a few months.

Expert view

“As a foreign national, your visa status is likely to play a major role in whether a lender will agree the mortgage you need.”

“We have strong working relationships with many of the UK’s leading lenders, so an early conversation with you about your residency status can often save a lot of time later.”

Rob Gill - Altura

The impact of Brexit

The UK finally departed the European Union on 1 January 2021, and this means changes to the rights and status of EU, EEA and Swiss citizens living in the UK.

The EEA includes the EU countries as well as Iceland, Liechtenstein, and Norway.

EU residents looking to remain in the UK must apply to the EU Settlement Scheme. Those who apply successfully will be able to continue living and working in the UK.

With changes to the status of EEA, EU, and Swiss nationals taking place in 2021, here's what mortgage lenders will need to confirm in order to comply with both UK and European law post Brexit.



Provide evidence of your “settled” or “pre-settled” status

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From 2021, if you're an EEA, EU, or Swiss national applying for a mortgage in the UK, you'll need to provide evidence of your “settled” or “pre-settled” status under the UK's new EU Settlement Scheme.

- Settled status will usually be granted if you've lived in the UK for a continuous five-year period (called “continuous residence”).
- Pre-settled status is normally granted if you have not lived in the UK for five years in a row. You must have started living in the UK by 31 December 2020 unless you are applying as the existing close family member of an EU, EEA or Swiss citizen who started living here by then. You can stay in the UK for a further five years from the date you get pre-settled status and apply to switch to settled status as soon as you've had five years' continuous residence.

The normal way that you will prove your settled or pre-settled status is by sharing your government website share code. Lenders will want to see this evidence of your residency status.

Alternatively, if you have it, you can provide evidence of your permanent right to reside in the UK. You may also have to do this if you're from a non-EU or EEA country.



How to get a website share code to prove your “settled” or “pre-settled” status

If you have settled or pre-settled status and you applied for a visa and used the “UK Immigration: ID Check” app to scan your identity document on your phone, you can use an online service to obtain a “share code”.

If you’re applying for a mortgage in the UK, you’ll need to provide this to the lender.

Head to the [UK government website](#) to obtain your code. You’ll need:

- Details of the identity document you used when you applied (your passport, national identity card, or biometric residence card or permit)
- Your date of birth
- Access to the mobile number or email address you used when you applied.

Lenders will want to see this evidence early on in the mortgage process, so it can pay to be prepared.

A note about Irish nationals

While EU, EEA, and Swiss nationals will need to prove their settled or pre-settled status using the share code, many lenders will not require the same for Irish nationals.

Many UK lenders have chosen to treat Irish nationals the same as UK nationals, and so you won’t have to prove your residency status in this way.

A credit score in the UK

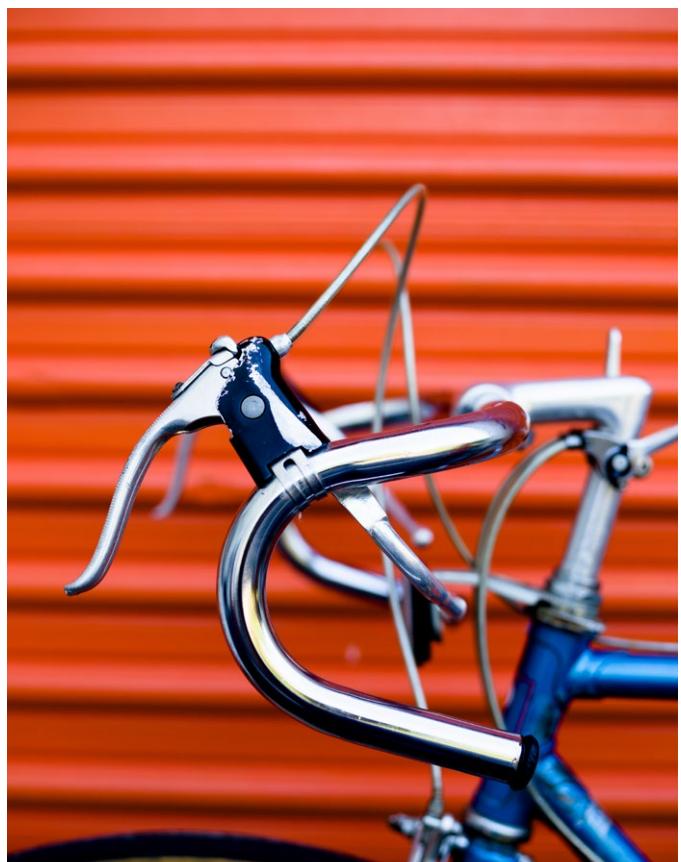
Applying for credit is country specific. There's no general credit score or credit rating that travels with you around the world, and that lenders use wherever you happen to live.

Of course, one of the key considerations for any lender is: how have you managed your money in the past?

As a foreign national in the UK, it can be important for you to build up a credit record while you're in the UK. You can do this in several ways:

- Take out a UK credit card and use it for purchases in the UK. Make sure you pay at least the minimum payment every month and demonstrate that you can manage debt responsibly.
- Register to vote at your address in the UK. You will boost your credit score if you appear on the UK electoral register. If it's a joint application, make sure you are both registered.
- Open a UK bank account. Many banks are happy to provide banking services to foreign nationals. Set up some direct debits - for example, to pay your credit card - and this will start to show that you have a financial history in the UK.
- Pay all your bills on time.
- If you're applying for a mortgage jointly, make sure Council Tax and utility bills are in your joint names. Don't just put the bills in one name, as you might then struggle to demonstrate a good payment record for the second party.

If a lender can easily find you when they undertake a credit check and can see that you have carefully and responsibly managed your UK accounts, it makes it more likely that they will lend to you.



Expert view

“Major lenders are increasingly relying on algorithms to make automated lending decisions, much of which is reliant on a credit footprint via a credit agency such as Experian or Equifax.

“If, however, you've only recently moved to the UK you're not going to show much on one of these reports.

“That's where we can help. We work closely with underwriters at many of the UK's major lenders and have a successful track record of securing mortgages for foreign nationals.”

Rob Gill - Altura



Proving your income

When applying for a mortgage on a UK property, a lender will want to see proof of your income. You'll need to evidence what your earnings are, where they come from, and that you can afford the mortgage.

As a foreign national, there are several reasons this could be more complex.

For example, if you work for an international company, part of your income may be in a foreign currency or paid offshore. This may be the case, particularly if you moved to the UK with your current employer.

Perhaps you receive a bonus from an international bank that is paid in US dollars, euros or Swiss francs? Or maybe you're an executive who spends time outside of the UK and you have a "split contract" to pay part of your income offshore?

Many UK lenders struggle to take overseas income into consideration, especially following changes in regulation in 2016 (the Mortgage Credit Directive). However, there are mainstream lenders out there that can consider your application - and we have the contacts and knowledge to find them.

If your income is paid in the UK in sterling, this should make matters more straightforward.





Showing where your deposit comes from

While there are many lenders who will consider lending to help foreign nationals buy UK property, you are likely to have to put down a deposit of at least 10% to 15%.

Most lenders will need to see proof of your deposit when underwriting your application.

If your deposit is in a UK bank or building society account, this may not be a problem. A statement showing the funds is likely to be sufficient for a lender's needs.

However, if your deposit is coming from overseas - perhaps from savings you accumulated while living or working abroad - this may be slightly more difficult to prove.

You will have to supply evidence of your deposit (a bank statement or similar). And, depending on the lender and the location/language of your bank, translation of these documents may also be required.

Which country is your deposit in?

EU or EEA

Money that originates from the EU or European Economic Area (the EU plus Iceland, Liechtenstein, Norway, and Switzerland) is generally regarded as coming from a trusted source.

This is because the funds, and the bank that holds them, will have been subject to several European Union directives, which have to be adhered to subject to legal penalty.



Non-EU or EEA

Money originating from non-EU sources may be more of an issue for a lender. Because it is not subject to the same directives, lenders or your solicitor may require additional proof of the source of funds to satisfy their own money laundering policies.



Helping you understand the UK house-buying process

Buying a property in the UK may be different to a transaction in another country. The process works differently to many other nations, and it's easy to be confused by legal jargon, the valuation, and the UK's property tax system.

You may also need to work with an estate agent, solicitor, surveyor, and mortgage broker as part of the transaction.

Many of our clients come to us for help in buying their first UK property. As we have wide experience in assisting foreign nationals, we can guide you through the process and explain the various steps.

40 years' experience in international banking, finance, and mortgages

The international background and vast experience of our advisers and management team mean we have an unparalleled network of contacts. This means we can find a lender who is prepared to agree finance for a wide range of foreign national clients - often with mainstream lenders at highly competitive rates.

Regulated by the Financial Conduct Authority (FCA), our team have more than 40 years' experience in banking and finance. We boast excellent links with a wide range of lenders, specialising in UK property finance for foreign nationals.

Please note

Your home may be repossessed if you do not keep up repayments on a mortgage or other loans secured on it.

Buying a home in the UK is likely to be one of the biggest financial commitments you make, so getting professional advice can help you to avoid costly mistakes.

We can help you to find a lender that will agree the mortgage you need at a competitive rate. We can also liaise with solicitors, conveyancers, surveyors, and the estate agent to make sure everything goes smoothly.

Working with a UK-based professional will give you the peace of mind that you have a trusted, experienced partner to guide you from finding a home to picking up the keys.



Find out how we can help you.

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