

Self-Employed Mortgages



Your Guide



At Prestige Private Finance, we understand that being self-employed brings unique challenges, especially when it comes to securing a mortgage.

But don't worry - just because you're your own boss doesn't mean your mortgage options are limited.

With the right support, the process can be just as smooth as for anyone else. Our expert team is here to guide you through each step, making sure you get the best advice for your situation.



What Is a Self-Employed Mortgage?

A self-employed mortgage is no different from any other mortgage - it's just the way lenders assess your income that changes. While your income may vary or depend on the performance of your business, there's no reason that should stand in the way of homeownership.

Thanks to the growing number of self-employed people in the UK, many lenders now offer tailored products for those who run their own business. So whether you're a freelancer, contractor, or run your own company, we'll help you find the right mortgage to suit your needs.

How Are Different Types of Self-Employment Treated?



Lenders treat various forms of self-employment differently. Here's a quick guide:

- *Sole Traders*

Generally, the simplest, with income based on your personal earnings.

- *Partnerships*

Your income is assessed based on your share of the partnership's net profit.

- *Contractors*

You might be eligible for mortgages designed specifically for contractors.

- *Limited Company Directors*

Your salary, dividends, and sometimes retained profits can be used, but it can be more complex.

If you fall into any of these categories, or if you have more specific circumstances, can walk you through the options available.

What Do You Need to Apply?

Lenders may ask for a bit more paperwork when you're self-employed, but it's manageable.

Here's what you'll need:



- *At least one year's trading accounts*

The more trading history you can show, the better.

- *SA302 forms*

These tax calculation documents are used by HMRC to summarise your income.

- *A minimum deposit of 5%*

This might vary depending on your situation.

Don't worry if this seems daunting—we'll help you gather everything you need and explain the process step by step.

How Much Can You Borrow?

As with any mortgage, the amount you can borrow will depend on your income. The challenge is often how to present that income to lenders, especially when you have dividends, retained profits, or multiple income streams.

Some lenders will base your borrowing power on your most recent year's earnings, while others might take an average over two or three years.

It's important to work with someone who understands how self-employed income is assessed - we can help you figure out the best way to present your finances to lenders.

Proving Your Income

Gone are the days of self-certification mortgages, where you didn't need to provide proof of income. Now, lenders will want to see evidence of your earnings, but this doesn't need to be complicated.

Most lenders will accept your SA302 forms and tax overviews, which can be printed directly from your HMRC account. Depending on your circumstances, some lenders might also request full verified accounts from a chartered or certified accountant.

Don't worry - if that's the case, we'll guide you through the process.

What If You Have Complex Income?

If you have multiple income sources - such as freelance work, dividends, or rental income - getting a mortgage can feel more complex.

But with the right preparation and presentation, it's entirely possible to secure a mortgage that fits your needs.

We specialise in helping clients with complex income structures. We know how to showcase your earnings in the best light, ensuring you're in the strongest position to get the mortgage you deserve.

What If You Have Bad Credit?

Bad credit doesn't automatically disqualify you from getting a mortgage.

There are specialist lenders who consider more than just your credit history - they look at your current financial situation and the steps you've taken to improve it.

Our team has access to lenders who are willing to offer mortgages to self-employed individuals with bad credit, so don't be discouraged.

We'll help you navigate your options and find a solution that works for you.