

Self employed Guide

The only personal finance assistant for prospective first time buyers

[Download Guide](#)

Getting a Mortgage as a self employed borrower is substantially different to getting one as someone with an employer. This is because Lenders see self employed borrowers as much more risky and the process of assessing their creditworthiness is much harder and so requires much more documents and checks.

Lenders find self employed borrowers more risky due to the fact that the income stream might not necessarily be stable or constant over a long period of time. It is always a good idea to get Mortgage advice from a qualified Mortgage broker if you are a self employed borrower.

What will you need?

To make the process of getting a Mortgage easier you will need to start compiling certain documents months in advance. This documents will help prove to the lender that you can maintain the Mortgage payments over a sustained period of time.

Mortgage Lenders will typically want to see your income over 1-3 years and this will be assessed differently based on if you are a sole trader, partnerships or a contractor.

If you are a sole trader :

The Mortgage lender will consider the profits of your business

If you are a director of a limited company:

The Mortgage lender will look at your salary, dividends and some Mortgage lenders will look at the retained net profit of the (or your) business.

For a partnership:

The Mortgage lender will look at your share of retained profits and any draws.

If you are a contractor:

Some Mortgage Lenders will consider your daily pay and consistency of work. Mortgage lenders have become more familiar with contractors and some Mortgage lenders now have a laid out criteria for contractors. This is especially true for It contractors where Lenders usually favour contractors

- Who have got a long time left on their contract with
- who have a long history with the same employer
- Who have a history of renewals with the employer
- whoa can get a written confirmation of their employers intention to extend the contract
- You have been working within the same industry for a longer period of time
- Who get paid a sizeable day rate.

The paperwork you should gather prior

Prior to contacting a Mortgage broker, you should have at least these documents ready for viewing as this will greatly expedite your waiting time.

- 1-3 years' worth of accounts prepared by an accountant if part of a limited company
- SA302's for 1-3 years - this is the self-assessment form that shows how much personal income you declared to HMRC and how much tax you paid on said income.
- Bank statements for 12 months from all your accounts
- Proof of your deposit
- Details of any debt repayments and other outgoings(Your credit report might do the trick)

What will help you

- Sizeable Mortgage deposit
- No defaults on personal/business credit file
- Bank statements for 12 months from all your accounts
- No outstanding debts
- Up to date bank/company accounts
- Sizeable taxable income

PS. There is no such thing as a self employed Mortgage but rather the way Lenders assess self employed borrowers are much different. Always seek advice(if in doubt) from a reputable broker.

powered by Typeform

GUIDES

[Property Ladder Guide](#)

[Mortgage Guide](#)

[Remortgage Guide](#)

[Buy to let Guide](#)

[Self employed Guide](#)

[Home improvement Guide](#)

[Home movers Guide](#)

[Staircasing Guide](#)

PRODUCT

GIZMOS

COMPANY

[About](#)

[Complaints](#)

[Jobs](#)

[Media pack](#)

[Partner](#)

[Blog](#)

HELP

[Contact](#)

[Help Center](#)

Follow us here



[Copyright 2017 Huuti Ltd](#) [Legal Agreements](#) [Privacy Policy](#) [Cookies](#)

Huuti Ltd is registered in England and Wales. Our company number is 10347447 . Our registered company address is 71-75 Shelton street Covent Garden London WC2H 9JQ

Huuti is registered with the Information Commissioner's Office in compliance with the Data Protection Act 1998. Huuti uses 256-bit SSL encryption 100% of the time on every device.