

# Our guide to HMOs

Here are our top tips to help you get your HMO case submissions through without any delays. We've also supplied some examples of when a HMO licence might be required and which Zephyr product might be applicable. If you need any more information [visit our website](#), or give one of our [BDMs](#) a call.



## Get it right first time

- For Small HMOs/MUFBs (up to 6 bedrooms/units) we need 3 months' home ownership experience. For Large HMO/MUFBs (7-12 bedrooms/units), we need 12 months' BTL experience or we'll accept first time landlords if one applicant is at least 25 years' old, has 3 years' home ownership experience and has a minimum £75k income.
- If purchasing, we need to see the existing HMO licence held by the vendor and evidence that our applicant has also applied for a licence
- We won't lend where the buyer is purchasing an unlicensed property with the intent of converting or licensing it after completion
- If remortgaging we need a valid HMO licence. We can be flexible where a licence [renewal](#) is in progress

## HMO licensing – do you need a licence?

Building type and occupants	Description	Is this a HMO?	Licence required?	Zephyr product applicable / accepted case?
<b>Standard house occupied by 2 Grandparents, 2 Parents &amp; 3 Children</b>	Classed as 1 household	No	No	<b>YES, Standard product</b> <b>Please note:</b> If the valuer sees the property has been altered to meet HMO licensing requirements further enquiries may be made. Our Ts & Cs do not allow borrowers to switch from standard use to licenced HMO usage.
<b>Standard house occupied by 4 unrelated tenants, on 1 AST</b>	Classed as 2+ households, but 4 or less occupants in total. This could be covered under our standard product range too, with lower ICR, rates and costs	Yes (not large)	Depends on local authority regulations.	<b>YES, Standard product if no licence required. Specialist HMO product if licence required.</b> <b>Please note:</b> The valuer will need to confirm the occupancy and layout of the property does not require a licence according to local authority regulations.
<b>Standard house occupied by 5 unrelated tenants</b>	Classed as 2 or more households sharing facilities	Yes (large)	Yes	<b>YES, Specialist HMO product</b>
<b>Freehold property, 2 fully self contained flats, 1 occupied by 1 tenant, 1 occupied by 3 tenants</b>	Licence dependent on local authority regulations	Yes (not large)	Yes	<b>YES, Specialist MUFB product, provided the local authority regulations do not require a HMO licence</b>
<b>Freehold property, 2 flats, 1 occupied by 2 tenants and 1 occupied by 3 tenants, with shared facilities between the two flats</b>	Classed as 2 or more households sharing facilities	Yes (not large)	Yes	It would depend on the property layout. If the flats contain living, sleeping and bathroom accommodation only, then lending may be possible.
<b>Freehold property, 3 self-contained flats, 2 occupied by 3 tenants each and 1 occupied by 2 tenants</b>	Assuming all the units have separate services and there are no shared areas, then this is classed as a MUFB	No	No	<b>YES, Specialist MUFB product</b>
<b>Freehold property, 3 fully self-contained flats, 1 occupied by 1 tenant, 1 occupied by 2 tenants and 1 occupied by 6 tenants</b>	This is an MUFB. If the six tenants in flat 3 are from a single household (e.g. a 3-bed flat occupied by a family) then this is OK. However, if the flat is used as a HMO, then an HMO licence would be required for flat 3 only	Possibly, depending on use and occupancy of the 3rd flat, containing 6 tenants		Possibly, depending on use and occupancy of the 3rd flat, containing 6 tenants (MUFB provided the flat with 6 tenants is occupied by a single family and not intended for use as a licensed HMO)
<b>Property converted into 3 fully self-contained flats, with 6 occupants in total</b>	Classed as a MUFB	No	No	<b>YES, provided it is a true MUFB and no HMO licence is required by local authority regulations</b>

**Disclaimer:** All of the above information will also be subject to local authority regulations, which may differ depending on where your property is located. All Zephyr HomeLoans mortgages will be subject to underwriting and valuation. The above information does not constitute a commitment to lend and is for general information only.

Call 0370 707 1894

[zephyrhomeloans.co.uk](http://zephyrhomeloans.co.uk)

[bdmqueries@zephyrhomeloans.co.uk](mailto:bdmqueries@zephyrhomeloans.co.uk)

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