



THE SELF EMPLOYED GUIDE TO GETTING A MORTGAGE

Common questions from self-employed individuals

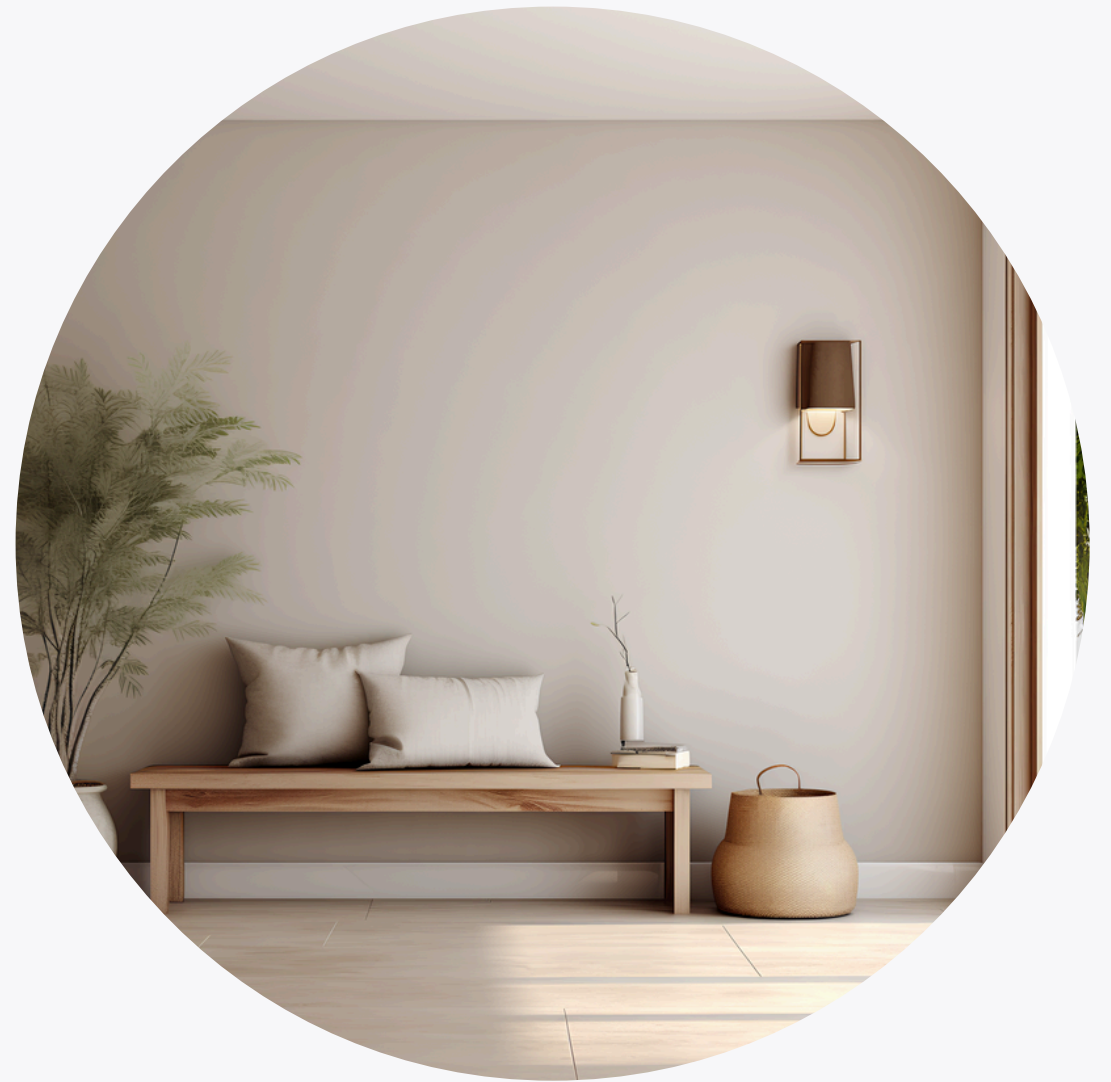


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WELCOME

At Your Mortgage Room, we specialise in helping self-employed clients navigate the mortgage process with ease. For self-employed individuals, the path to securing a mortgage can feel overwhelming, but it doesn't have to be.

By collaborating with expert accountancy firms like Cloud Concepts, we provide a holistic service that simplifies the application process and ensures your financial profile is presented in the best possible light. With the right support and guidance, achieving your homeownership dreams is entirely within reach.

Whether you're just starting out or have been self-employed for years, this guide offers answers to common questions and practical advice to get your foot on the property ladder.

[GET IN TOUCH](#)

“Charlotte has a wealth of knowledge and has been invaluable to us not only in getting a mortgage when we were initially struggling, but also with her aftercare and advice.”
Tim



BORROWING POTENTIAL

One of the most asked questions is “How much can I borrow if I’m self-employed?”

The amount you can borrow depends on your income and the lender’s affordability criteria.

Typically, lenders offer 4 to 5 times your annual income. For self-employed applicants, this will usually be based on your net profit (post tax), operating profit (pre tax), salary or dividends, depending on how your business is structured (sole trader, partnership, or limited company).



CHOOSING THE RIGHT MORTGAGE

There isn't a one-size-fits-all answer. The right mortgage will depend on your financial circumstances and goals. Options include:

- Fixed-rate mortgages for predictable payments.
- Tracker mortgages that follow the Bank of England's base rate.
- Offset mortgages that link to a savings account, reducing the interest you pay.

Working with a mortgage broker can help you analyse your circumstances and discuss the options available to find a product tailored to your needs.

MORTGAGE RATES

Self-employed borrowers generally have access to the same rates as salaried applicants, provided they meet the lender's criteria. There are some lenders who specialise in complex income streams, which may be more suitable for some clients.

However, if your income is irregular or your documentation is limited, you may be offered higher rates to offset perceived risk.

A mortgage broker will help you gather the documentation you need to explore the different options available and ensure that you get the most competitive rates.

INCOME ASSESSMENT

Lenders generally focus on net income rather than gross income. For sole traders and partnerships, they consider the net profit declared on your tax returns.

For limited company directors, lenders often assess your salary and dividends. However there are a number of lenders available who are prepared to assess net profit including salary, or operating profit and salary in some cases.

The exact calculation method varies by lender so it's helpful to work with a broker who is experienced with self-employed individuals.



REQUIREMENTS

Most lenders in the UK require you to have at least two years of self-employment history. This means providing two years' worth of accounts or self-assessment tax returns (SA302s).

However, some lenders may consider applications with just one year of trading, especially if you have a strong financial track record or previous experience in the same field.



DOCUMENTATION AND PROOF OF SELF-EMPLOYMENT

Be prepared with:

- Proof of identity and address.
- Tax computations (SA302 forms) and tax year overviews for the last 2-3 years (available from HMRC).
- Evidence of regular work or contracts (e.g., invoices).
- Certified accounts prepared by an accountant (if applicable).
- Bank statements (personal and business).

TOP TIP: If you haven't already, separate your personal and business banking.

IS IT HARDER TO GET A MORTGAGE IF I'M SELF EMPLOYED?

While it isn't inherently harder, being self-employed does require more documentation to prove your income stability. Lenders want reassurance that your earnings are reliable. With thorough preparation and professional guidance, it is possible to secure a mortgage as easily as a salaried employee.

FINAL TIPS

- Work with a mortgage broker who specialises in self-employed applicants.
- Keep your accounts in order and file your taxes on time.
- Save for a larger deposit to improve your options and rates.
- Be transparent about your financial situation to avoid delays.

And, if you aren't sure about anything... ask!



“[Charlotte] has always been so passionate and dedicated in providing us with excellent advice and thinks outside the box to get round things. She has spent so much time discussing options with me and researching the best deals. I trust her implicitly.”

Mr & Mrs Ellis



READY TO GET STARTED?

With the right preparation, being self-employed doesn't have to be a barrier to homeownership.

If you're ready to take the next step towards securing your dream home, get in touch with us, we're here to help.

[GET IN TOUCH](#)

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