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Skipton Lowers Income Bar for Bigger Mortgage Loans

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Skipton Building Society has reduced the minimum income required for borrowers seeking higher loan-to-income (LTI) mortgages, following recent changes introduced by the Prudential Regulation Authority (PRA). The move is expected to widen access to mortgages for more aspiring homeowners, particularly first-time buyers.

Previously, applicants needed to earn at least £50,000 to qualify for an LTI ratio above 4.49 times their income. Skipton has now lowered that threshold to £40,000, placing it among the most accessible lenders in the high LTI mortgage market. This adjustment follows a

regulatory shift that aims to ease constraints on responsible lending while maintaining affordability checks.

Wider Borrowing Access

Under the new criteria, borrowers earning at least £40,000 can now access loans of up to 5.5 times their income for mortgages up to 90 per cent loan-to-value (LTV). For borrowing above 90 per cent LTV, the maximum is set at five times income. For example, a customer with an income of £41,000 and a 10 per cent deposit could previously borrow up to £184,090. Under the revised rules, the same applicant could now secure a mortgage of up to £225,500, representing a 22 per cent increase in borrowing power.

In a further update, Skipton has also raised the maximum LTI ratio on its 100 per cent Track Record Mortgage. This product, designed to support renters with a strong payment history but no deposit, now offers up to five times income instead of the previous 4.75. A household earning £60,000 can now borrow £300,000 under this scheme, compared to the earlier cap of £285,000.

These changes directly respond to the PRA's new guidance, which aims to allow lenders greater flexibility in approving high LTI loans, particularly for those with a good credit record and stable income. The PRA, a division of the Bank of England, estimates that the policy shift could enable around 36,000 more first-time buyers to access homeownership each year.

Charlotte Harrison, chief executive officer of home financing at Skipton Building Society, welcomed the regulator's decision. "We've campaigned for change to the loan-to-income rules to better support first-time buyers, so it's really positive to see the PRA respond," she said. "The changes we've announced today are a practical step that will make a real difference by helping even more people take that first step onto the property ladder while ensuring we continue to lend responsibly."

With affordability remaining a major obstacle for many would-be buyers, particularly younger households, Skipton's changes are expected to have a tangible impact. The lender's decision to act swiftly may also influence other mortgage providers to revisit their own criteria in light of the PRA's reforms.

Skipton has indicated it will continue working closely with industry bodies and regulators to build on this momentum and find further ways to support responsible access to homeownership.