SELF-EMPLOYED GUIDE • 2026

Mortgages for the self-employed

How lenders assess your income.

- How your income is calculated
- Trading history requirements
- The documents lenders ask for
- Preparing for your application

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Your home may be repossessed if you do not keep up repayments on your mortgage.
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HOW LENDERS ASSESS YOU

Mortgages for the self-employed

Self-employed applicants are assessed on the same affordability rules as employed applicants. The difference is how your income is evidenced and calculated. Each lender sets its own rules, so the amount you can borrow will differ between lenders.

Who lenders treat as self-employed

Lenders treat you as self-employed if you are a sole trader, a partner in a partnership or LLP, or a company director. Lenders also treat you as self-employed if you own a share of the business above the lender's set threshold. Contractors are covered later in this guide.

How your income is calculated

Your business	Income lenders use
Sole trader	Your net profit, as shown on your SA302 tax calculation
Partnership or LLP	Your share of the net profit
Limited company director	Either your salary plus dividends, or your salary plus your share of the company's net profit. Lenders differ on which method they use

Where you have more than one year of figures, lenders use either an average of the years or the lower of the most recent years. If your income has fallen, this can reduce the amount you can borrow.

> **Limited company directors:** if you leave profit in your company, a lender that uses salary and net profit may assess a higher income than a lender that uses salary and dividends. We will identify the lenders whose method suits how you pay yourself.

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TRADING HISTORY

How long you need to have traded

Lenders set a minimum trading period. The length differs between lenders.

Trading history	What to expect
Two years or more	Accepted by the widest range of lenders
One to two years	Accepted by some lenders. Additional conditions may apply
Less than one year	Accepted by a limited number of lenders, and depends on your circumstances

If you were previously employed in the same line of work, some lenders take this into account.

The documents lenders ask for

Your business	Documents
Sole trader or partner	SA302 tax calculations and matching tax year overviews from HMRC, for the years the lender requires
Limited company director	SA302 tax calculations and tax year overviews, and the company's certified accounts. Some lenders also ask for an accountant's certificate or reference
All applicants	Business and personal bank statements, photo identification and proof of address

You can download your SA302 tax calculations and tax year overviews from your HMRC online account. Your tax returns must be filed before the documents are available.

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OTHER SITUATIONS

Contractors and changes to income

Contractors

Some lenders assess contractors on their day rate rather than on accounts. The lender converts the day rate to an annual figure using its own calculation. Lenders will ask for your current contract and evidence of your contracting history.

If your income has changed

Tell us if your latest year's income is lower or higher than the previous year, and why. The reason, and how the lender treats it, can affect the amount you can borrow.

Preparing for your application

- File your tax returns on time, so your latest figures are available to lenders.
- Speak to your accountant before your year end about how the way you pay yourself affects your mortgage application.
- Keep business and personal finances in separate accounts.
- Register on the electoral roll and check your credit report for errors.
- Tell us about any credit you apply for before or during your application.

Contact Hal

To discuss your circumstances, please get in touch.

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This guide is for general information only and does not constitute advice. It is based on our understanding of legislation, HMRC practice and lender requirements as at October 2026, which may change. All mortgages are subject to status and lender criteria.

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