

In a report out today, the British Property Federation has called for all buy-to-let mortgages to be FSA regulated.

According to the BPF, currently, buy-to-let mortgages are treated like business loans, where as pretty much every other mortgage - such as owner-occupier or equity-release products - are controlled by the financial watchdog.

In a new report entitled Responsible Regulation the BPF also calls for tenants living in properties repossessed by banks to be given a minimum of two months to secure alternative accommodation. The report, backed by Savills, comes as the FSA has announced plans to regulated sale and rent-back deals.

Ian Fletcher, BPF director of policy, said: "Many lenders simply threw money at buy-to-let borrowers during the boom without sufficient checks on who they were lending to or what they were lending for. Consumers have suffered as their buy-to-let dream turned sour and many buy-to-let lenders were at the root of our economic problems as organisations such as Bradford and Bingley found themselves over exposed to bad loans."

Mark Harris, director at Savills Private Finance, said: "The buy to let market has borne the brunt of the credit crunch and with a dearth of suitable finance available for professional landlords, we could well see an increase in repossessions. It's vital therefore that measures are in place to ensure the private rental market can continue to expand. Better regulation is therefore needed if we are to move from an age of recklessness into a period of responsibility."