

## Important Information about our Residential Mortgages

This information should be read together with the individual mortgage product features. Where the information differs, the individual mortgage product features will take priority over the information stated below.

All applications are manually reviewed by our experienced mortgage underwriters and are subject to a full assessment against our lending criteria.

Please note that the information below is not our full lending criteria and borrowing requirements.

### 1. Purpose of the Loan

Loans are available for the following purposes:

- Purchase by first time buyers or previous owner-occupiers
- Remortgage
- Additional borrowing, such as raising funds or consolidating debts (subject to terms and conditions)
- Shared Ownership in England and Wales from housing associations registered with Homes England or the Welsh Government
- Family Assist at 100% Loan to Value (LTV)\*
- Retirement Interest Only (RIO)
- Building your own home

Lending is available for applications on residential property, which will be the applicant(s) main residence. Properties are to be located in England, Wales and Scotland (excluding properties located in the Outer Hebrides, Orkney Islands, Shetland Islands and postcodes IV41-48, IV51-56, KA27, PA20-49, PA60-78 and PH41-44).

\*The Family Assist savings deposit scheme is available in England and Wales only.

### 2. Residency Status

Applicants must normally be physically resident in the UK. Overseas applicants resident in the UK via a Skilled Worker Visa with 2 years employment and residency history can also be accepted subject to terms and conditions.

### 3. Loan to Value (LTV) Limits

Like all other mortgage lenders, we will allow you to borrow against a proportion of the overall property value. This is known as Loan to Value (LTV) and is expressed as a percentage.

For example, if you want to purchase a property valued at £100,000 and you need to borrow £85,000 then you will need a mortgage at 85% Loan to Value (LTV).

The maximum LTV limits apply to different types of lending shown overleaf.

Type of Lending	Maximum LTV
Family Assist	100%
Purchase	95%
Remortgage	90%
New Build Properties, Flats <sup>^</sup> and Maisonettes	90%
Further Advance	90%
Self Build	80% (85% Loan to Cost)
Shared Ownership	95% of share being purchased (maximum 75% valuation)
Shared Equity Schemes (Help to Buy)	75%
Right to Buy (England only)	110% of discounted price (max 75% LTV)
Interest Only (see below)	75%
Repayment between age 70 and age 85	70%
Retirement Interest Only (RIO)	55%

<sup>^</sup> Flats must be in blocks of up to 4 storeys and, for Shared Ownership properties, must have been constructed after 2003. Maximum 85% LTV for new build flats and 75% LTV when above commercial premises.

#### 4. Maximum Loan Sizes

Maximum Loan Size*	Maximum LTV**
£350,000	95%
£500,000 (purchase) £400,000 (remortgage)	90%
£500,000	80%
£750,000	75%
£1,000,000	70%
£1,500,000	65%

\* Maximum loan sizes subject to product availability.

\*\*Maximum LTV is exclusive of the completion fee unless otherwise stated in the product features.

#### 5. Maximum Mortgage Term and Age Limits

For all residential lending, excluding Retirement Interest Only (RIO) mortgages:

Minimum age of 18 years at the time of application. Please see product information for the minimum mortgage term. The maximum mortgage term is 40 years, subject to your age at the time of application and the type of mortgage you require. The mortgage is to be repaid before age 85 for capital repayment and interest only mortgages.

##### Repayment between Age 70 and Age 85

Maximum 70% LTV. Where the requested mortgage term extends beyond the age of 70, the affordability of the mortgage may be assessed on an individual sole survivor basis and underwriter discretion may apply. Independent legal advice and a Lasting Power of Attorney may be recommended or required as a condition of the offer.

##### Retirement Interest Only (RIO) Mortgages

Minimum age 55 years at the start of the mortgage term, no maximum age. There is no maximum term, although borrower(s) should nominate a required term and if no term is nominated, then a term of 40 years will be assumed.

#### 6. Repayment Options

Subject to product availability, repayment options can include:

- Capital repayment
- Interest only\*
- Part capital repayment and part interest only\*

\*Subject to maximum LTV shown above.

##### What is Interest Only?

Interest only means that you only pay the interest in the monthly repayments leaving you to repay the capital balance (the initial loan amount) at the end of the mortgage term. You must have an acceptable strategy in place (such as savings) to repay the capital balance.

Details and evidence of an acceptable repayment strategy must be available on application. Acceptable repayment strategies include:

- Savings and investments (including endowment policies and existing Personal Equity Plans).
- Pension lump sums.
- A portfolio of stocks and shares or a stocks and shares ISA/NISA.
- The sale of a mortgage/debt free UK located buy to let or holiday home property that is owned by the mortgage applicant(s) on a Joint Tenant basis.
- Property downsizing is acceptable, where there is a minimum equity of £200,000 in the property (£300,000 in London and the South East; £150,000 in Nottinghamshire, Derbyshire and South Yorkshire) and this is sufficient to provide a reasonable quality home in the property locality.

You are responsible for any shortfall should your repayment strategy fail to repay the capital borrowed at the end of the term and you should regularly check the performance of any investment. If you are not in a position to repay the capital when you reach the end of the term you will be in breach of the mortgage conditions and this could result in further action being taken by us to protect our interest in the property.

## 7. Mortgage Rate Types

Subject to product availability, we offer a range of mortgages with summary details of the types below:

<b>Fixed Rate Mortgage</b>	The interest rate is fixed for a specified number of years and will stay the same even if other rates change during that time.
<b>Discounted Variable Rate Mortgage</b>	The interest rate is discounted from our SVR for a specified number of years. The rate is variable and can go up or down.  A minimum rate will apply during the discounted term and will be specified on the product details.
<b>Standard Variable Rate (SVR)</b>	An internal rate of interest set by the Society to reflect market conditions. The rate is variable and can go up or down.  At the end of a fixed rate, discounted rate or tracker product period the interest rate will revert to our SVR if you do not switch to another product with us or remortgage to another lender.
<b>Follow-on Rate</b>	A follow-on rate is available on selected products at the end of the initial fixed rate or discounted rate period. The follow-on rate is a discount from our SVR and is therefore a variable rate and may go up or down.
<b>Tracker Mortgage</b>	The interest rate tracks an externally referenced rate - normally the Bank of England Base Rate for a specified number of years. The rate is variable and can go up or down.

## 8. Interest Calculation

Interest is calculated daily.

## 9. Early Repayment Charge (ERC)

An early repayment charge can be applied in the event that the mortgage is repaid in full or in part during the initial fixed rate or discounted rate period.

The early repayment charge is calculated as a percentage of the mortgage balance at the point the repayment is made.

If a new mortgage for at least the same amount as the total mortgage balance outstanding is taken out simultaneously with us then the Society, in its discretion, may waive any early repayment charge. If a new mortgage for at least the same amount as the total mortgage balance outstanding is taken out within 3 months of full repayment then the Society, in its discretion, may refund any previously paid early repayment charge.

## 10. Lump sum or overpayments of Capital

Payments in excess of the required monthly mortgage payment can be made in the form of lump sum payments or regular overpayments.

A repayment of up to a maximum of 10% of the original loan amount will be allowed each calendar year during the product term without incurring an early repayment charge. Any lump sum payments or regular overpayments received in a single calendar year, which in total exceed 10% of the original mortgage amount, will incur an early repayment charge on the amount of the excess.

## 11. Direct Debits

Monthly mortgage payments are made by Direct Debit and are due on the 25th of each month.

## 12. Portability

Our mortgages are not portable to another property.

### 13. Fees and Charges

Below is an explanation of the types of fees and charges that you may come across through the application process. For full details of our fees and charges please see our 'Tariff of Charges' available on our website [mansfieldbs.co.uk](http://mansfieldbs.co.uk) or on request.

<b>Application Fee</b>	A non-refundable application fee is payable on application.
<b>Completion Fee</b>	A non-refundable completion fee is payable before completion. The fee may be paid by debit or credit card without incurring additional charges.  Where product features allow, customers may choose to add the completion fee to the loan amount. If the completion fee is added to the loan amount this will be charged interest and will be reflected in the monthly repayment over the term of the mortgage.
<b>Chaps / Telegraphic Transfer Fee</b>	A charge which covers the cost of transferring funds to you, your bank or solicitor.
<b>Valuation Fee</b>	Unless otherwise stated in the product features a basic valuation fee is payable by the applicant(s). The fee charged is normally based on the purchase price or full market value. For a full list of mortgage valuation fees, please see our Mortgage Valuation Fees leaflet.  The valuer must be informed that the property is to be used as a buy to let property. The valuers report is required to include comment on the projected rental income and the likelihood of this from local demand.
<b>Legal Fees</b>	Legal fees are payable to your / our legal advisor on or before completion for carrying out work in relation to you taking out a mortgage with us.  For remortgage applications in England and Wales, a simplified "basic legal fees" package is available and you can opt to use our nominated legal advisor. However, where there are additional legal requirements, this process may not be available or may incur additional costs to the applicants.  Examples of these include the requirement for face to face or independent legal advice as a mortgage or product condition, changing names on title deeds, correcting title defects, postponement of charges and additional searches. Please contact us if you require more information on the circumstances where "basic legal fees" will not apply.  Under the "basic legal fees" package the legal advisor will be acting on behalf of the Society.
<b>Redemption Administration Fee</b>	When closing your mortgage account we will ensure enough money is received to clear the outstanding balance and return any overpayments made to you. We will arrange for our interest to be removed from any assigned policies, complete the legal discharge paperwork and release our legal charge over the property. We also release the Title Deeds. The Redemption Administration Fee covers the work involved in these tasks.

### 14. Maintaining Mortgage Repayments

Your home or property could be at risk if you fail to maintain your mortgage payments on time and in full. Failure to meet these requirements may adversely affect your credit information and impact future credit applications.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE

#### Contact Us

If you have any questions or comments about the information above then please feel free to contact us at our registered office in Mansfield. We have fully qualified mortgage advisors who will be happy to help you with your query.

Mortgage Enquiries: 01623 676345 (Mortgage Intermediaries 01623 676360). Telephone lines are open six days a week, Mon to Fri 9.00am\* - 5.00pm (\*Weds from 10.00am), Sat 8.45am - 12.15pm.

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