

No deposit? No problem.

Borrow 100% of your
property's value with
a little family help

SAVINGS
MORTGAGES
INSURANCE
FINANCIAL PLANNING



MANSFIELD
BUILDING SOCIETY



Family Assist Mortgages

House price inflation has made it harder for first time buyers to raise the deposit they need to buy their own home. Our Family Assist mortgages allow borrowers to access a mortgage of up to 100% of the value of the property with help from family. By providing additional security in the form of either cash savings or a 'legal charge' over equity in the family members home, we're able to help more people get on the first rung of the property ladder.

Family Assist Mortgages How it Works:


OPTION 1

Deposit savings in a Mansfield Family Assist Savings Account

- Family member uses their savings to help the buyer without having to 'give' the money to the borrower.
- Family member deposits cash in a specifically designed savings account.
- The cash deposit must be for an amount equal to 20% of the value of the property being purchased.
- Family member providing the cash deposit will not normally be able to access the funds until 7 years have passed with release of the balance subject to certain terms.
- Provided all obligations are met, savings are returned to the family member when they are released from their commitments.
- Interest is paid on savings deposited in a Family Assist Savings Account.

OPTION 2

Use collateral from equity in a family member's home

- Allows family members to help even if they don't have savings available to tie up but do have equity in their home.
 - Family member agrees to some of the equity in their residential property being used as security.
 - The Society takes a 'legal charge' equal to 20% of the value of the property to be purchased, over the equity in the family member's residential property.
 - This means the Society will have legal rights over the family member's residential property.
 - The 'legal charge' over the family member's residential property will not normally be released until 7 years have passed with release of the 'legal charge' subject to certain terms.
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Family Assist Mortgages Examples:

The examples provided below are based on a borrower looking to purchase a property valued at £100,000 and are for illustrative purposes only.

OPTION 1

Deposit savings in a Family Assist Savings Account with us



A family member invests £20,000 in a Mansfield Family Assist Savings Account, representing 20% of the property value

Applicant is able to borrow 100% of the property value (£100,000), subject to normal affordability checks.

OPTION 2

Use collateral from equity in a family member's home



A family member allows us to take a legal charge over £20,000 of equity in their property, representing 20% of the value of the property the borrower is purchasing

Applicant is able to borrow 100% of the property value (£100,000), subject to normal affordability checks.

What do you need to consider?

The property is owned by the borrower, so family members providing support will have no rights over the property being purchased.

When family members provide cash savings or equity as collateral security, they enter into an Agreement, which includes conditions relating to the borrower and the consequences of the borrower not maintaining their mortgage repayments.

When using savings as security

The savings could be used to cover losses in the event of repossession, or to make up any mortgage payment shortfall.



When using equity as security

Family members using equity may be restricted if they want to move home or borrow more money themselves and their residential property may be repossessed by us to recover debt in the event that the borrower's property is repossessed and/or sold at a loss. Liability is limited to the amounts specified in the 'legal charge'.



Independent legal advice

Where the **savings option** is chosen we recommend that family members take independent legal advice to ensure that they are aware of the commitment they are undertaking and the risks involved before giving a 'legal charge' over their savings.

Where the option to provide a **collateral charge over property** is chosen, family members must take independent legal advice before the borrower is committed to the purchase.



For more information see
mansfieldbs.co.uk/family-assist-mortgages

Other ways your family could help

Our Family Assist Mortgages are one way we can help people get onto the housing ladder. We do have other lending options available, including a range of residential mortgages up to 95% loan to value that could help:

Guarantor mortgages: a person acts as a guarantor for the borrower. The guarantor must be able to afford the proposed mortgage repayments together with their own financial commitments.

Multiple applicants: we accept up to 4 applicants on a mortgage with up to 3 incomes used in assessing affordability.

Family gifted deposits: If the borrower doesn't have savings of their own, we accept a deposit gifted by a parent, sibling, child, grandparent, aunt or uncle.

Talk to one of our mortgage advisers to find out what is the best option for you. Call us on 01623 900 047 to find out more.

All information correct at the time of print. For our latest product availability, see our website mansfieldbs.co.uk/family-assist-mortgages

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

The Mansfield Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Reference number 206049. Member of the Building Societies Association.

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