

## Buy to Let - summary of mortgage products available for Purchase



All of these mortgage products have limited funds available and may be withdrawn at any time. Our mortgages are available on a Capital and Interest Repayment or Interest-Only basis to applicants aged 18 and over for properties in England or Wales.

This information should be read in conjunction with the separate sheets: 'Additional Information about our Mortgages' and 'Getting a Mortgage: what you need to know' guide, which provide important information about our mortgage services.

Product name	Initial interest rate	Initial rate duration	Followed by our Residential Investment Managed Mortgage Rate currently	The overall cost for comparison is	Minimum interest rate payable	Fees (see 'Additional Information about our Mortgages')	Maximum Loan to Value (LTV)	Early Repayment Charges	Interest calculated	Product code
<b>Discounted initial variable rate</b>										
3 year 2.70% discount	3.09%	3 years	5.79%	<b>5.3% APRC</b>	2.64%	<b>Product Fee:</b> £999 for loans up to £500,000. 0.4% of the loan amount for loans above £500,000 <b>Application Fee:</b> £175 + Valuation Fee	65%	3% in the first year 2% in the second year 1% in the third year	Monthly	XD0038
5 year 2.50% discount	3.29%	5 years	5.79%	<b>5.2% APRC</b>	2.84%	<b>Product Fee:</b> £999 for loans up to £500,000. 0.4% of the loan amount for loans above £500,000 <b>Application Fee:</b> £175 + Valuation Fee	65%	3% in the first year 3% in the second year 3% in the third year 2% in the fourth year 1% in the fifth year	Monthly	XD0039
<b>Fixed initial rate</b>										
3 year fixed rate to 31/08/2022	3.44%	Until 31/08/2022	5.79%	<b>5.5% APRC</b>	No	<b>Product Fee:</b> £999 for loans up to £500,000. 0.4% of the loan amount for loans above £500,000 <b>Application Fee:</b> £175 + Valuation Fee	65%	3% until 31/08/2020 2% until 31/08/2021 1% until 31/08/2022	Monthly	XF0205

The above fixed rate mortgage must complete by 02/01/2020.

Please turn over for details of our Buy to Let Offset Mortgage >

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<b>Buy to Let Offset Mortgage</b>										
Offset Mortgage 2 Year 2.45% discounted rate	3.34%	2 years	5.79%	<b>5.8% APRC</b>	2.89%	<b>Product Fee:</b> £999 for loans up to £500,000. 0.4% of the loan amount for loans above £500,000 <b>Application Fee:</b> £175 + Valuation Fee	65%	2% in the first year 1% in the second year	Monthly	XO0019
Offset Mortgage 5 Year 1.95% discounted rate	3.84%	5 years	5.79%	<b>5.4% APRC</b>	3.39%	<b>Product Fee:</b> £999 for loans up to £500,000. 0.4% of the loan amount for loans above £500,000 <b>Application Fee:</b> £175 + Valuation Fee	65%	3% in the first year 3% in the second year 3% in the third year 2% in the fourth year 1% in the fifth year	Monthly	XO0020
Requires linked Offset Saver to be opened. This product is not available for Expats and Limited Companies.										

**THE MORTGAGE WILL BE SECURED ON YOUR PROPERTY  
YOUR PROPERTY MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE**

For **Customer Enquiries** please contact  
our dedicated New Business Team:  
Tel: 03330 140140 Email: [newbusiness@familybsoc.co.uk](mailto:newbusiness@familybsoc.co.uk)  
Website: [familybuildingsociety.co.uk/mortgages](http://familybuildingsociety.co.uk/mortgages)

For **Intermediary Enquiries** please contact  
our dedicated Mortgage Desk:  
Tel: 01372 744155 Email: [mortgage.desk@familybsoc.co.uk](mailto:mortgage.desk@familybsoc.co.uk)  
Website: [intermediaries.familybuildingsociety.co.uk](http://intermediaries.familybuildingsociety.co.uk)

Family Building Society is a trading name of National Counties Building Society which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.  
Firm Reference No: 206080 [register.fca.org.uk](http://register.fca.org.uk)

## Additional Information about our Mortgages Buy to Let

These details should be read in conjunction with our 'Getting a Mortgage: what you need to know' guide and our lending criteria, which provides important information regarding our mortgage services.

Our New Business Team is happy to provide information about the mortgage products we have on offer, however, we do not provide advice or personal recommendations relating to Buy to Let mortgage products. Should you require clarification on any point, please contact our New Business Team on the number given at the end.

### **Borrower and status**

Borrowers must be UK residents, able to provide the usual proof of accommodation addresses for at least 12 months and, if remortgaging, must have owned the property for at least six months. We must be satisfied that the borrower is able to demonstrate a current mortgage track record (minimum 12 months). If not fully conversant with the lettings market and a landlord's responsibilities, a professional managing agent must be appointed for the letting. Borrowers must be either gainfully employed or have investment, pension or other income. Proof of income may be required.

### **Tenancies**

Diplomatic, University / College, Housing Association, Council and DSS lets will not be accepted. There must be only one agreement which will be approved by the Society's solicitors or licensed conveyancers. Assured shorthold tenancies are only acceptable with the period for each tenancy not less than six months and not more than 12 months, except where the tenancy is to either a Limited Company, or to an individual(s) subject to a rent exceeding £100,000 per year. Rent must not be payable more than one month in advance without our prior approval. The tenant must not be either related to the borrower or the unmarried partner of the borrower.

Where the tenancy is to either a Limited Company, or an individual(s) subject to a rent exceeding £100,000 per year, the letting must not exceed one year or, exceptionally, two years.

For tenancies that have commenced after 1 April 2018, the property should have an Energy Performance Certificate rating of 'E', or above.

### **Property**

Loans are subject to minimum vacant possession value or purchase price (whichever is lower) of £120,000 for flats / maisonettes and bungalows / houses. Properties must be of standard construction, in a good condition and suitable for immediate letting. Properties must be situated in England and Wales and within predominantly residential areas. If the valuer suggests refurbishment works are needed, the application may not be accepted or we may require these to be carried out before you are able to complete the mortgage.

The following property types will not be accepted: properties with more than one kitchen or more than four bedrooms or more than four tenants, properties designated as Houses in Multiple Occupation (HMOs), properties let to students, or properties where the property is to be rented to the current owner following completion (buy and rent back).

All flats / maisonettes must be self-contained units. New build flats, studio flats, ex local authority flats, freehold flats and flats above commercial premises are not acceptable. The number of storeys in any one block of flats must be no more than four, although it may be possible in Central London to exceed this figure. Leasehold flats / maisonettes are accepted subject to a minimum of 50 years unexpired remaining on the lease at end of the mortgage term. All new build properties and multiple applications must be referred to our New Business Team for consideration before submitting an application.

### **Loan amount and property value**

Unless otherwise stated in the 'summary of mortgage products', the minimum loan we will consider is £45,000 and there is no maximum. Loans above £500,000 should be referred to us for specific agreement before submission of an application.

The loan amount is assessed on the basis that the monthly rent must be equal to or exceed 145% of the interest payable per month, calculated at the higher of:

- The Society's expectation of likely future interest rates (the Society's stressed rate) (5.65%); or
- The product's initial interest rate plus 2% (unless fixed for five years or more); or
- Guidance from the Prudential Regulation Authority (PRA) (currently 5.5%); or
- The Society's monthly Buy to Let Managed Mortgage Rate (5.79%).

The minimum acceptable property value is £120,000, with no maximum value.

#### **Application Fee\***

The Application Fee includes £175 to process the application and a Valuation Fee. The Valuation Fee is based on the greater of the purchase price or value of the property. The Application Fee is payable on application and is non-refundable.

#### **Product Fee\***

Where a Product Fee is shown, it is payable when the mortgage starts (known as completion) and is not refundable. The fee will normally be deducted from the amount sent at completion. You may be able to add the Product Fee to the mortgage amount subject to the maximum Loan to Value (LTV) not being exceeded.

For Expat applications, the Product Fee charged will be the standard Product Fee or Large Loan Fee (whichever is higher) plus 1.25%.

**Please note the Product Fee charged on Limited Company loans will be more than the standard fees shown in the 'summary of mortgage products'. Please contact our New Business Team to discuss before proceeding further.**

#### **Early Repayment Charges**

Where an Early Repayment Charge is shown in the 'summary of mortgage products', this applies for the duration of the initial interest rate. During this period, capital repayments of up to 10% of the original advance may be made in each year following completion without any Early Repayment Charge being applied. If the permitted 10% capital reduction is exceeded, an Early Repayment Charge will be applied based on the excess capital repaid.

This allowance is not cumulative and does not apply when the whole loan is being repaid. In this instance, the charge will be incurred on the capital balance at the time of redemption (the capital balance is the balance upon which interest is charged). The Early Repayment Charge for each product is shown in the relevant table in the 'summary of mortgage products'.

#### **Minimum / maximum interest rate**

If the product you choose is subject to a minimum charging rate ("floor") or a maximum charging rate ("ceiling"), this is shown in the 'summary of mortgage products' and will only apply during the initial discounted or tracker period.

#### **Joint mortgage sole owner (JMSO)**

This section should be read in conjunction with our "Joint mortgage sole owner (JMSO)" customer leaflet, as this includes full details as well as some examples of who this arrangement may be suitable for.

Our JMSO arrangement is designed to enable family members to help each other realise their housing goals, often earlier than otherwise would be possible. It allows parents, spouses or partners, or for older borrowers their working adult children to join in a mortgage as a non-owning borrower.

Both the non-owning borrower(s) and the owning borrower(s) are liable for all the payments due under the mortgage. As a condition of our offer, all non-owning borrower(s) must have separate independent legal advice. You will need to instruct a legal representative - all legal costs are payable by you.

**The maximum loan amount available is £500,000.**

Available for both purchase and remortgage applications on a repayment or Interest-Only basis. We will not accept repayment strategies for Interest-Only applications which are held jointly with non-owning borrower(s).

If any amount is on Interest-Only, the mortgage must finish before the anticipated retirement age of the eldest borrower or age 70, whichever is sooner.

For remortgage, any additional funds being borrowed over the amount of the existing mortgage can only be used to buy out another owner or where home improvements are essential.

**Anyone wishing to apply for a JMSO should discuss this with us prior to making the application.** Applicants must then clearly indicate they are applying for a JMSO within the “Additional Information” section (Section 8) of the application form. They must also clearly indicate which of the applicants will be the owning borrower(s).

All of our Buy to Let products offer this arrangement, with the exception of Limited Company Mortgages.

#### **Repayment methods**

Both capital and interest repayment and Interest-Only loans are available. For Interest-Only loans, please state in the application form how the capital borrowed will be repaid.

#### **Term**

The minimum term is five years and the maximum is 40 years.

#### **Offset Mortgages**

You are required to open a linked Offset Saver account in conjunction with our Buy to Let Offset Mortgage.

If you select the Interest-Only version of the Buy to Let Offset Mortgage, you can only select the Payment Reduction option. If you select the capital and interest repayment version of the Buy to Let Offset Mortgage, you are required to select either Term Reduction or Payment Reduction. You will have the flexibility to switch between both options during the mortgage term. For full details, including benefits of both options, please refer to the Buy to Let Offset Mortgage brochure.

The Buy to Let Offset Mortgage is available to UK resident individuals only. It is not available to corporate bodies or partnerships.

#### **Legal representatives**

There are various legal costs associated with taking a mortgage and these will be your responsibility unless the product you select includes help with the legal costs. We may be prepared to use your nominated solicitor / licensed conveyancer to act for us. Please note, if your solicitor / licensed conveyancer is not on our panel of approved firms, managed by LMS, we'll need to appoint our own and your customer will need to pay the cost of this. In circumstances where we are separately represented, we will send you the scale of fees.

#### **Product portability**

Your existing product terms can be transferred to your new property for an amount up to your outstanding balance. This will be subject to status, valuation and our lending criteria applying at that time. If you require extra borrowing a new product can be selected from our range for the additional sum needed. However, if you reduce your mortgage balance then, where applicable, an Early Repayment Charge will be applied to the net amount repaid.

#### **Buildings insurance**

You will naturally want to make sure that your investment is covered in the event of damage due to fire, storm, flood, etc and, since the property is our security for the loan, we are similarly concerned.

You must make your own insurance arrangements, subject to certain minimum requirements regarding the extent of the risks included and the amount of cover.

**Annual mortgage statement and tax year interest certificate**

In January each year, we will send you a mortgage statement showing your transactions in the previous calendar year and the total of interest charged. As a chargeable additional service, we can provide a certificate of interest paid on a tax year basis.

These certificates are individually calculated on request and the current charge, which is normally debited to your mortgage account, is £15 per account per tax year. Our mortgage administration charges are shown in our Tariff of Mortgage Charges, which is enclosed with your annual mortgage statement when changes occur.

**Financial services**

To ensure that you are fully aware of the options available for repayment of the mortgage, you should seek specialist advice.

\* Fees are non-refundable in the instance of either party withdrawing.

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