



# Guide to Lump Sum Lifetime Mortgage Additional Borrowing

**Issued: 19 January 2018**

NATIONAL COUNTIES BUILDING SOCIETY  
Guide to Lump Sum Lifetime Mortgage Additional Borrowing

THIS IS A LIFETIME MORTGAGE. TO UNDERSTAND THE FEATURES AND RISKS, PLEASE ASK FOR A  
PERSONALISED ILLUSTRATION.

---

<b>CONTENTS</b>	Page
1 Introduction	2
2 Loan available	2
3 Interest	2
4 Repaying part of the loan	3
5 Early Repayment Charges	3
6 Moving home	4
7 Additional considerations	4
Sale of the property	4
Taking advice	4
Valuation	5
Borrowing reserve	5
Legal work	5
Insurance	5
8 Further additional borrowing	5
9 Additional Information	6

**If you require documentation in large print, Braille or by audiotape, please contact our Mortgage Account Service Team on 03300 243412 and we will be happy to assist you. For the deaf or hard of hearing who have a textphone facility, we can be contacted through Typetalk on 18001 03300 243412.**

**NATIONAL COUNTIES BUILDING SOCIETY**  
**Guide to Lump Sum Lifetime Mortgage Additional Borrowing**

THIS IS A LIFETIME MORTGAGE. TO UNDERSTAND THE FEATURES AND RISKS, PLEASE ASK FOR A  
PERSONALISED ILLUSTRATION.

---

## **1. Introduction**

As you already have a Lifetime Mortgage with us, this Guide is intended to provide you with information about additional borrowing. Please refer to your original Lifetime Mortgage terms and conditions and Mortgage Offer to obtain a detailed description of how a lifetime mortgage operates.

You will need to take advice on the suitability of this product for your circumstances. We can provide you with this advice at no cost, or you can seek advice from an intermediary authorised by the Financial Conduct Authority on lifetime mortgages. You will be responsible for any cost incurred as well as the cost of any separate legal representation you might require. You will need to consider these factors in establishing the cost effectiveness of any additional borrowing.

**If you require clarification on any point, please either contact us, an independent financial adviser or a solicitor.**

## **2. Loan available**

The additional borrowing is provided to you as a single lump sum. The minimum loan amount is £2,000 and the maximum loan amount depends on your age(s) according to the table below your property's value, and is subject to a maximum of £250,000.

<b>Age of the youngest applicant</b>	<b>Maximum percentage of property value available</b>
70 to 74	30%
75 to 79	35%
80 to 84	40%
85 to 95	45%
96 or older	Not available

## **3. Interest**

The interest rate charged under the Lump Sum Lifetime Mortgage is always fixed and will not change in the future. This allows you to accurately estimate the size of your future outstanding mortgage debt.

Any further additional borrowing will be subject to the interest rate applying at that time.

**NATIONAL COUNTIES BUILDING SOCIETY**  
**Guide to Lump Sum Lifetime Mortgage Additional Borrowing**

THIS IS A LIFETIME MORTGAGE. TO UNDERSTAND THE FEATURES AND RISKS, PLEASE ASK FOR A  
PERSONALISED ILLUSTRATION.

---

#### **4. Repaying part of the loan**

Although no mortgage payments are due, you can occasionally make lump sum payments to reduce the outstanding mortgage balance. You can do so by sending funds by transfer from your bank quoting our sort code: 40-02-50 and account number: 21397400, plus your mortgage account number and name as a reference. Alternatively you can send us a cheque (payable to 'National Counties Building Society' followed by your account number) and covering letter to the Mortgage Account Service Team at our Head Office. You can make these payments at any time.

Each year you can repay 10% of the additional borrowing amount without any Early Repayment Charges. This amount is not cumulative and any amounts exceeding this 10% will incur an Early Repayment Charge. Some lump sum payments may be subject to an Early Repayment Charge if you fully repay the loan within the same calendar month as making a lump sum payment. For an explanation of the charge calculation, please see Section 5, 'Early Repayment Charges' below.

#### **5. Early Repayment Charges**

Early Repayment Charges apply to the additional borrowing amount for the duration of the additional borrowing. We will calculate the charge using the capital balance outstanding for the additional borrowing at the end of the calendar month immediately prior to the repayment (8% in years 1 to 3, 5% in years 4 to 7, then 3% from year 8 onwards). This Early Repayment Charge is in addition to that which might apply on other parts of your existing loan.

We will waive the additional borrowing Early Repayment Charge if full repayment of the mortgage is as a result of one of the following circumstances:

- Sale of the property following death of the borrower (either borrower, in joint cases).
- Sale of the property following the move of the last occupying borrower into either (i) a residential or nursing home, (ii) sheltered accommodation, or (iii) to live permanently with a relative who will act as your carer.
- Transfer of the Lump Sum Lifetime Mortgage to another suitable property that will be your main residence (see Section 6, 'Moving home' below).
- Downsizing: sale of the mortgaged property to finance the purchase of a less expensive new main residence with no mortgage.

NATIONAL COUNTIES BUILDING SOCIETY  
Guide to Lump Sum Lifetime Mortgage Additional Borrowing

THIS IS A LIFETIME MORTGAGE. TO UNDERSTAND THE FEATURES AND RISKS, PLEASE ASK FOR A  
PERSONALISED ILLUSTRATION.

---

## 6. Moving home

The additional borrowing is portable, which means you can transfer it to a new property should you wish to move at a future date. This is subject to the new property meeting our lending criteria for this type of loan at the time.

Should you move to a property of equal or higher value, the loan outstanding will be transferred unchanged. If you are moving to a property of lower value this might require a partial repayment of the total amount outstanding and there would be no Early Repayment Charge in these circumstances.

**Example:** At the time of moving you have a loan outstanding of £91,960 which is made up of the original advance, any additional borrowing and accrued interest. You sell the property for £250,000, moving to a property valued at £175,000.

The amount outstanding, £91,960, represents 37% of the value of the property. This means that the total loan that can be transferred to the new property is £64,750 (37% of £175,000) and you repay £27,210 from the sale proceeds of the original property. Refer to Section 5 of your most recent Offer. There would be no Early Repayment Charge in these circumstances as your mortgage remains with us.

*This example excludes the expenses involved in buying and selling property which you will need to pay, such as estate agents' commission, Stamp Duty, legal and survey fees, etc. You should allow for these expenses when considering moving home. The percentage figures used in the examples above are for illustration purposes only, so we have rounded them to the next decimal place.*

We will treat an application to transfer the terms of your lifetime mortgage to a new property as a new application. You might be required to obtain fresh independent legal and financial advice.

## 7. Additional considerations

### Sale of the property

Our agreement to the proposed sale price must be obtained before you proceed with the sale of your property.

### Taking advice

We can provide advice and a personal recommendation relating to this product at no cost. Alternatively, you can obtain advice from an intermediary (authorised by the Financial Conduct Authority to advise on equity release transactions). You will be responsible for any cost incurred as well as the cost of any separate legal representation required.

NATIONAL COUNTIES BUILDING SOCIETY  
Guide to Lump Sum Lifetime Mortgage Additional Borrowing

THIS IS A LIFETIME MORTGAGE. TO UNDERSTAND THE FEATURES AND RISKS, PLEASE ASK FOR A  
PERSONALISED ILLUSTRATION.

---

## Valuation

To allow us to establish whether your property still represents suitable security for the additional borrowing and to calculate exactly how much you might be able to borrow we might need to carry out a mortgage revaluation. The cost of this is included in the additional borrowing Application Fee which is non-refundable.

## Borrowing reserve

A borrowing reserve is not available for the Lump Sum Lifetime Mortgage. However, if you currently have a lifetime mortgage with an undrawn borrowing reserve, you would need to draw this money before we could consider you for additional borrowing.

## Legal work

A firm of Solicitors, which may be our own Legal Department, will act for us in arranging this additional borrowing and you will be responsible for their fees which will be deducted from the advance at completion.

## Insurance

We will require you to maintain adequate buildings insurance with comprehensive cover (including subsidence, heave and landslip) and index-linking of the sum insured whilst your property is mortgaged to us.

***We will require confirmation that adequate insurance cover is in place before we can release the additional borrowing.***

## 8. Further additional borrowing

You can make an application for further additional loans, subject to our lending criteria at that time. You will also need to take advice, either from us or from an intermediary (authorised by the Financial Conduct Authority), the cost of which will be your responsibility. We also recommend that you take independent legal advice, the cost of which will be your responsibility (see Section 7, 'Additional considerations'). We might also require a property revaluation.

Any additional borrowing we then agree will be on the terms and interest rate applying at the time of application and you will pay an Application Fee, which includes the cost of any revaluation required, and our legal fees and disbursements.

**NATIONAL COUNTIES BUILDING SOCIETY**  
**Guide to Lump Sum Lifetime Mortgage Additional Borrowing**

THIS IS A LIFETIME MORTGAGE. TO UNDERSTAND THE FEATURES AND RISKS, PLEASE ASK FOR A  
PERSONALISED ILLUSTRATION.

---

**9. Additional information**

If there is any additional information that you would like to know, or if you have any questions, then please ask us or your adviser. Help is available from:

- Our Mortgage Advisers
- Your Independent Financial Adviser
- Your Solicitor

This Guide should be read in conjunction with a personalised Key Facts Illustration, which can be obtained from our New Mortgage Enquiry Team (available Monday to Friday 8.00am – 5:30pm and Saturday 9.00am – 12.00pm, excluding Bank Holidays):

Telephone: 03300 243414  
Email: [mortgage.newbusiness@ncbs.co.uk](mailto:mortgage.newbusiness@ncbs.co.uk)  
Fax: 01372 745607

The Lump Sum Lifetime Mortgage Additional Borrowing is only available to individuals of 70 years of age or over. Subject to status. Security in the form of a mortgage on your home will be taken.

National Counties Building Society, Ebbisham House, 30 Church Street, Epsom,  
Surrey KT17 4NL  
Website: [ncbs.co.uk](http://ncbs.co.uk)

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)

L/161/0118/MKTG