

Additional Information about our Mortgages Expatriate 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 nationals with a valid UK passport and currently residing in one of our accepted countries, be 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 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 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 on our website, the minimum loan we will consider is £100,000 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); or
- The product's initial interest rate plus 2% (unless fixed for five years or more); or
- Guidance from the Prudential Regulation Authority (PRA); or
- The Society's monthly Buy to Let Managed Mortgage Rate.

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.

The Product Fee charged will be the standard Product Fee or Large Loan Fee (whichever is higher).

Early Repayment Charges

Where an Early Repayment Charge is shown on our website, 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 on our website.

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 on our website and will only apply during the initial discounted or tracker period.

Repayment methods

Expat loans are only available on an Interest-Only basis. 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.

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

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
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