

ADDITIONAL INFORMATION ABOUT OUR MORTGAGES

OWNER OCCUPIER – EXISTING BORROWER

This document sets out information that you need to be aware of before transferring to a new mortgage product with us. It's a good idea to read it along with our other documents which give important information about our mortgage services:

- *Getting a Mortgage: what you need to know*
- *Our lending criteria*

If you don't have access to these, or you need any other help, please get in touch with our Family Service Team (Mortgages) using the contact details shown on the final page of this document.

1. GENERAL MORTGAGE INFORMATION

Do you have minimum and maximum interest rates?

Yes. If the product you choose is subject to a minimum charging rate (known as a "floor") or a maximum charging rate (known as a "ceiling"), you can find this on our website. A floor or ceiling will only apply during the initial discounted or tracker period of your mortgage.

Can I take the mortgage with me if I move house?

Yes. If you move home, you can take your Family Building Society mortgage with you to your new home, for an amount up to the outstanding amount you owe us. This is known as "porting" and will be subject to you meeting our lending criteria that apply at that time. If you're porting a Family Mortgage, we will need consent from the family member(s) who is providing the security.

If you want to borrow more, you can choose a new product from our Further Advance range. Our Further Advance products change over time and the interest rates may be higher than the existing rate on your main mortgage. It is important that you review our Further Advance products and interest rates at the time you are interested to determine what your options will be.

If you reduce your mortgage balance when you move, then, where applicable, you would have to pay us an Early Repayment Charge (ERC) which we will calculate based on the net amount you are repaying.

Can I see an example of what the overall cost of my mortgage might be?

Yes. The representative example we show on our website is an illustration of what a typical mortgage (including its total costs), might cost you.

Will you give me regular updates about my mortgage?

Yes. In January each year we'll give you a mortgage statement showing your transactions in the previous calendar year and the total of interest we have charged you.

We can also give you a certificate of interest paid on a tax year basis, for an additional cost. We produce these certificates on an individual basis for an additional cost for each mortgage account you have with us, per tax year. We would normally add this cost to your mortgage account. We show our mortgage administration charges in our Tariff of Mortgage Charges document, which we send you with your annual mortgage statement.

Do I need to have financial advice?

So that you are fully aware of your mortgage repayment options, you should seek specialist financial advice.

2. OUR FEES AND CHARGES

Will I have to pay a Transfer Fee to change mortgage?

For loans up to and including £1 million, we don't charge a fee for transferring to a new mortgage. If your mortgage is over £1 million, please contact us and we will let you know what the cost of transferring will be. If you do have to pay a Transfer Fee, we will show this separately on your mortgage statement. You would have to pay this fee by cheque at when you send us your Product Transfer Acceptance Form.

Will I have to pay any Early Repayment Charges (ERCs)?

Where we show an ERC on our website, this is relevant for the whole of the initial interest rate period. Unless the product specifies otherwise, you can make capital repayments of up to 10% of the original amount you borrowed each year during the initial interest rate period without having to pay an ERC. If you pay more than 10%, you will need to pay us an ERC on any amount that is over 10%.

You can't carry the 10% allowance forward to future years, so for example if you pay off 5% in one year, you can't then pay off 15% the following year without having to pay an ERC. The allowance will stay at 10% per year.

If you're paying back the whole of your loan, no allowance applies. This means that you will have to pay the ERC on the capital balance at the time you repay the whole of your loan. We show the ERC for each mortgage product on our website.

3. OUR OWNER OCCUPIER MORTGAGES

In addition to our standard capital and interest repayment and Interest-Only mortgages, we have a choice of specialised owner occupier mortgage products.

Offset Mortgages

You will need to open a linked Offset Saver account if you are applying for our Offset Mortgage.

You can enjoy one of two benefits with our Offset Mortgage; a Term Reduction or a Payment Reduction. You also have the flexibility to switch between these two options. Please note that no interest is paid on the money held in an Offset Saver. For full details, including the benefits of both, please refer to the Offset Mortgage product brochure.

As long as you have our prior agreement, you can make as many lump sum or regular overpayments as you like as long as you don't pay off the mortgage in full. You have the option to reduce your monthly payments, have payment holidays or use the borrow back facility as long as you've previously built up enough credit through your overpayments. The borrow back facility is available for a minimum of £500 once a month, as long as you give us seven working days' notice.

Joint Mortgage Sole Owner (JMSO)

Our JMSO arrangement is designed to let family members help each other achieve their housing goals, often sooner than if a JMSO wasn't in place. It allows parents, or for older borrowers their working adult children, to join in a mortgage as non-occupying borrower(s).

The maximum we will lend on a JMSO is £500,000.

JMSO is available for both purchase and remortgage on a repayment or Interest-Only basis. If the repayment vehicle is the sale of the non-occupier(s) property, there must be enough equity in the property to repay our mortgage and also allow the non-occupiers to buy another property.

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, you can only use any additional borrowing to buy out another owner or for essential home improvements.

All borrower(s) including non-occupying borrower(s) are liable for all the mortgage payments. This means that if the occupying owner is unable to make their mortgage payments, the non-occupying borrowers are liable for the repayments. If they can't afford to pay the full amount, then the property is at risk of being repossessed.

As a condition of our mortgage offer, all non-occupying borrower(s) must have separate independent legal advice. You will need to instruct a legal representative, and you must cover any legal costs yourself. If you choose one of our owner occupier remortgage fee assisted products, we will pay £250 towards the legal costs for you.

Please talk to us before you apply for a JMSO. If we decide that you are eligible, all applicants must make it clear that they are applying for a JMSO when they complete the "Additional Information" section of the mortgage application form. They must also clearly state which of the applicants will be the owner-occupier(s).

Most of our owner occupier mortgages offer the JMSO arrangement with the exceptions of the Family Mortgage and Retirement Lifestyle Booster.

Please also read our Joint Mortgage Sole Owner (JMSO) document which gives full details and examples of who this arrangement may be suitable for.

THE MORTGAGE WILL BE SECURED ON YOUR HOME.

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

To find out more, please contact our Family Service Team:



familybuildingsociety.co.uk



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Firm Reference No.206080
register.fca.org.uk

M/205/0721/FBS/MKTG