

# ADDITIONAL INFORMATION ABOUT OUR MORTGAGES

## OWNER OCCUPIER – FURTHER ADVANCE

This document sets out information that you need to be aware of before borrowing more 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*
- *The relevant mortgage product brochure*
- *Our lending criteria*

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

### 1. GENERAL MORTGAGE INFORMATION

#### Managed mortgage rate

The managed mortgage rate (MMR) is a type of mortgage interest rate that you are most likely to go onto after your introductory fixed, tracker or discounted deal ends. We choose what the MMR rate is. Your MMR is calculated monthly.

The MMR you'll pay also depends on what type of mortgage you apply for. Please refer to our website.

#### How much will you lend me?

The minimum further advance we will consider is £2,000 unless we say otherwise on our website. There is no maximum, but if you need to borrow more than £500,000, please contact us before you send us your application form. We offer loans up to the maximum Loan to Values (LTVs) shown on our website. We base the LTV on your total borrowing with us, not just the additional borrowing you're looking to apply for now.

#### 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.

#### What about buildings insurance?

You will naturally want to make sure that your home is covered in the event of damage due to a fire, storm, flood, etc. As the property is our security for the loan, we do need to see proof that you have adequate buildings insurance in place before your further advance starts (known as "completion").

You must make your own insurance arrangements, but these must meet our minimum requirements regarding the extent of the included risks 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 further advance, you should seek specialist advice.

#### Can I see an example of what the overall cost of my further advance might be?

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

### 2. OUR FEES AND CHARGES

#### How much is the Application Fee?

This is £125 for a further advance and covers the cost of a revaluation of your home if we need to carry one out. You must pay the Application Fee when you apply for the further advance, either by attaching your cheque to the application form, or by writing your debit card details in the relevant section of the application form.

#### How much is the Product Fee?

The Product Fee will vary depending on which further advance product you choose. You will need to pay us this when you complete and this isn't refundable. We will normally deduct the Product Fee from the total further advance at completion.

## What about legal costs?

You will need to pay us for any legal fees and the minimum we will charge you is £100. You will need to pay us this when your further advance completes and we'll normally deduct any legal fees from the total further advance at completion.

We will be represented by our Legal Services Department and we will let you know what the actual amount is (including any disbursements), before you complete.

## 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 FURTHER ADVANCES

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

### Offset Mortgages

You can only have an Offset Mortgage further advance if you already have an Offset Mortgage with us.

If you're applying for an Offset Mortgage further advance, you can carry on using your Offset Saver account that's linked to your current Offset Mortgage. You don't need to set up a new account.

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. For full details, including the benefits of both, please refer to the Offset Mortgage product brochure.

Please note that no interest is paid on the money held in an Offset Saver.

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.

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](https://familybuildingsociety.co.uk)

 03330 140146

 [mortgage.desk@familybsoc.co.uk](mailto:mortgage.desk@familybsoc.co.uk)

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