



Your
Mortgage
Guide





Your **Mortgage** Guide

PLEASE READ AND THEN KEEP THIS
GUIDE IN A SAFE PLACE
- IT IS DESIGNED TO HELP
YOU UNDERSTAND **YOUR** MORTGAGE



I N D E X

SECTION NO	PAGE NO
Preface	3
1. How much can you afford to borrow?	4
2. Which mortgage product?	5
3. When you find your home.....	5
4. After the mortgage interview.....	8
5. Valuation and Survey Schemes	9
6. Your Mortgage Offer	12
7. Exchange of contracts	12
8. Completion.....	13
9. Your home at last.....	13
LIVING WITH YOUR MORTGAGE	
10. After completion.....	13
11. Summary of key points from your mortgage.....	16
12. Administration fees.....	17
Glossary of Terms	18



P R E F A C E

We at "The Mansfield" know that house purchase or remortgaging can seem a daunting process.

We have been serving the community in the Mansfield area for over 140 years and have a thorough knowledge which you can call upon. In a changing market place you need sound advice and support from people like us.

This Guide is devised to help you apply for your mortgage, ease you through the housebuying or remortgage process **AND** explain briefly what your mortgage obligations will be.

All written terms and conditions will be fair in substance and will set out your rights and responsibilities clearly and in plain language, with legal and technical language used only where necessary.

Full details of currently available mortgage products are confirmed in our Mortgage Product Information brochure.

1. HOW MUCH CAN YOU AFFORD TO BORROW?

Please speak to us as soon as you start thinking about buying a house or remortgaging to us. We will discuss your needs, and help you on the way.

We will ask you some questions about your income and any other loans which will continue after you buy your house. This information will enable us to calculate how much we can lend to you and how much the monthly payments will be. We can lend up to 3.5 times your gross income plus 1.25 times the second gross income if the application is in joint names. Alternatively, we can lend a multiple of 3 times joint incomes. If you have a parent, guardian or close relative who is able to guarantee your mortgage payments, you can include up to a maximum of 1.25 times their income in the calculations used to determine maximum borrowing capacity. 50% of any regular bonus, overtime or commission may be included in the calculations.

Our assessment of personal circumstances will include:

- taking into account income and commitments;
- how financial affairs have been handled in the past;
- information obtained from credit reference agencies and, with consent, others, for example employers, other lenders and landlords;
- information supplied, including verification of identity and the purpose of borrowing;
- credit assessment techniques, for example credit scoring;
- age of applicant and any guarantor;
- the security provided, including the condition and value of the property.

The following illustration gives you an idea of how we use income and outgoings information to assess the maximum we can lend:-

Craig earns a basic gross salary of £40,000 per year plus £2,000 regular overtime. Donna earns £12,000 per year. Craig has a bank loan for a car with payments of £1,500 per year which will remain in force after the mortgage completes. Craig and Donna wish to buy the house jointly:-

Craig's basic yearly income	=	£40,000	OR	Craig's basic yearly income	=	£40,000
<u>Add</u> 50% regular overtime	=	<u>£1,000</u>		<u>Add</u> 50% regular overtime	=	<u>£1,000</u>
		£41,000				£41,000
<u>Deduct</u> bank loan repayments	=	<u>£1,500</u>		<u>Add</u> Donna's basic yearly income	=	<u>£12,000</u>
		£39,500		Sub Total	=	£53,000
				<u>Deduct</u> bank loan repayments	=	<u>£1,500</u>
Sub Total	=	<u>£138,250</u>				£51,500
				Maximum Loan	=	<u>£154,500</u>
<u>Add</u> 1.25 times Donna's basic yearly income	=	<u>£15,000</u>				<u>£154,500</u>
Maximum Loan	=	<u>£153,250</u>				

2. WHICH MORTGAGE PRODUCT?

On request we will be pleased to provide advice and a recommendation as to which of our mortgage products is most suitable for you. Alternatively, if you prefer, we can provide information on the full range of current products which will help you make an informed choice. In either event we will provide a Key Facts Illustration (KFI) showing the full costs associated with borrowing the money before processing your application.

If a completed mortgage application form is received from an Intermediary, we will assume that the Intermediary has provided you with information or advice on the range of mortgage products available and provided you with a KFI unless we are told otherwise. If this is not the case, please inform us immediately by contacting our Mortgage Department.

If you take advantage of a fixed interest, capped or discounted mortgage scheme, we advise you to consider the impact of any increase or change in your monthly payments at the end of the fixed, capped or discounted period. Your Mortgage Offer Letter will tell you what these payments will be at today's interest rates - which may change.

All mortgage products are subject to change or withdrawal without notice. Please check with us that the product you are interested in is still available.

3. WHEN YOU FIND YOUR HOME

Contact us immediately for an appointment with one of our mortgage advisors. We will see you quickly. Please bring with you as much of the following information as you can:-

- Evidence of identification
 - passport, drivers licence, identity card etc.
- If employed
 - last P60 and 3 recent monthly payslips. (the latest 6 if paid weekly).
- If self-employed
 - 3 years accounts prepared by a qualified accountant.
- Evidence that any existing loan repayments have been paid on time. A paying-in book or bank statements will do.
- Latest mortgage statement - if you already have a mortgage
- Rent book - if you are presently living in rented accommodation.
- 3 months bank statements.
- Valuation Fee - see Tariff of Charges leaflet for details.

If you do not have all the items, do not worry - just bring what you can.

We will explain the different methods of repaying a loan. The following notes explain what these are:-

- **Repayment Mortgage**

If you select this method of repayment you will pay monthly instalments of interest and capital. These will repay the mortgage in full by the end of the repayment period (example 25 years) as long as your repayments are kept up to date and are adjusted when interest rates change. No life assurance cover is included in a repayment mortgage. We strongly advise you to take out separate life assurance cover in case you die during the repayment period.

- **Endowment Mortgage**

If you select this method of repayment you will need to take out a suitable endowment policy(ies) with a guaranteed death benefit at least equal to the amount of your loan. The policy represents additional security for your mortgage. As long as you pay all the policy premiums regularly then you will pay "interest only" payments to us. This means that your mortgage balance will not reduce during the repayment period. The amount available on maturity of the endowment policy (which will be timed to coincide with the end of your mortgage repayment period), whilst not guaranteed with unit linked or low cost with profit policies, should be designed by the Life Assurance Company to repay the mortgage in full. If there are insufficient funds to repay your loan then you will need to make alternative arrangements to pay any shortfall. The endowment premiums are in addition to the monthly mortgage interest payments and are payable direct to the Life Assurance Company.

- **Part Endowment/Part Repayment Mortgage**

This is a mixture of both types of mortgage, where part of the amount you borrow is on "repayment" terms, and the remainder on "endowment" terms.

- **Pension Mortgage or Individual Savings Account (ISA) Mortgage**

If you select one of these methods of payment you will need to take out a suitable policy/plan if you have not already done so. During the repayment period of your mortgage we will require you to maintain life assurance cover sufficient to repay the amount of mortgage in the event of your death. As long as you keep the life assurance cover in force and pay all the contributions agreed by you under your policy/plan then you will pay "interest only" during the repayment period. If there are insufficient funds available to repay the mortgage at the end of the repayment period then you will need to make alternative arrangements to pay any shortfall. All policies and plans must be acceptable to us. They will require individual consideration by us before we confirm that the method of repayment is acceptable. The premiums/contributions are in addition to the monthly mortgage payments and are payable direct to the policy/plan provider.

[If you fail to maintain your endowment, pension or ISA arrangements as agreed with us then we can change your mortgage to a repayment basis and charge our standard administration fee for this].

- **Interest Only**

Sometimes, we can accept "interest only" applications provided the loan does not exceed 75% of the property value. If you select this method of payment, we will ask you to pay interest only on the amount of the loan. This will not repay the capital element of the loan during the repayment period. It will be your responsibility to ensure that you will have sufficient funds available from your own resources to repay the loan at the end of the repayment period. We will remind you annually of your responsibility to ensure that funds will be available to repay the loan at the end of the repayment period. If sufficient funds are not available to repay the loan at the end of the repayment period, you will remain responsible to us for repayment of the shortfall. You should ensure that a suitable term assurance policy is in place which provides life cover during the repayment period.

- **Guarantors/Guarantees**

Applications involving Guarantors or Guarantees are considered on an individual basis.

If you have a parent, guardian or close relative who is able to guarantee your mortgage payments, you can include their income or a portion of their income in the calculations as indicated on page 4. The person providing the guarantee will be known as a guarantor. Guarantors must have sufficient income to cover their existing commitments and your new lending and we may require evidence from the guarantor of how they intend to support the monthly mortgage payments. We will also take the age of the proposed guarantor into account to ensure an ongoing ability to maintain the mortgage repayments if the need arises.

If you want us to consider a guarantee or other security from someone for your liabilities, you may be asked to consent to the disclosure, by us, of your confidential financial information to the person giving the guarantee or other security or their legal advisor.

We will also:-

- tell the Guarantor to seek **independent legal advice** to make sure that they understand their commitment and the potential consequences of their decision;
- advise them that by giving the guarantee or other security they may become liable instead of or as well as you;
- advise them what the limit of their liability will be. An unlimited guarantee will not be taken, though any capital sum guaranteed will also include interest arising on it and the costs of enforcement and recovery.

- **Home Insure**

We can arrange, through Heath Lambert Insurance Services, the opportunity for you to purchase Home Insure, a tailored Building and/or Contents policy, that provides you with the appropriate level of cover you need at a competitive price.

- Buildings Insurance Policy

The property which you purchase must be insured for the amount recommended by the Valuer. Home Insure ensures that your sum insured automatically reflects the rebuilding cost up to a maximum limit of £500,000. The policy provides

protection against loss or damage to the property from a wide range of perils. These include, but are not restricted to, Fire, Flood, Storm, Theft, Escape of Water, Subsidence, Landslip & Heave and Legal Liability. Accidental Damage cover is an optional feature of the policy. Full details are available on request.

- Combined Buildings and Contents Insurance

Combined buildings and contents insurance can be covered under one policy. Home Insure Combined not only entitles you to a 10% discount, it also automatically provides All Risk cover on Personal Belongings (up to 10% of the contents sum insured) free of charge. Accidental Damage cover is an optional feature of the combined policy. Please ask for our brochure if you require further information about the cover available.

- Mortgage Payment Protection Insurance

You are strongly advised to speak to us about mortgage payment protection insurance cover which provides valuable protection if you lose your job or are unable to work as a result of accident or illness.

IMPORTANT REMINDERS!

- All loans are secured on property.
- Written quotations are available on request.
- Mortgages are not available to persons under 18 years of age.
- All mortgage application forms are accepted by the Society subject to an assessment of your financial standing and a satisfactory valuation report being obtained by us on the property.
- We are constantly reviewing products so we can remain competitive. We cannot guarantee how long any product will remain available and we do not allow pre-booking of funds prior to receiving a completed mortgage application form. You will only be offered a particular mortgage product if it remains available upon receipt of a completed mortgage application form and proceeds to acceptance by us. We will advise you of alternative products if a product has been withdrawn when a completed application form is received.
- Where a mortgage exceeds 75% of the purchase price (or valuation if lower) a Higher Lending Charge will be required. This Charge will be used by us to purchase additional security from an insurance company. It is arranged for our benefit and does not provide you with any benefit or free you from any of your mortgage obligations. The Higher Lending Charge represents additional security for us if we have to take possession of the property should you fail to keep your mortgage obligations. If the insurers make any payment to us under the additional security taken out then the insurers and/or the Society may reclaim that amount from you. In addition, the Society may reclaim any loss or shortfall not covered by this additional security. The Higher Lending Charge is a single payment which will normally be deducted from the loan on completion. Please see our Mortgage Product Information Brochure for confirmation of the cost.

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

4. AFTER THE MORTGAGE INTERVIEW

We will take up references which we need. This may include writing to your employer and your present lender if you have an existing mortgage.

5. VALUATION AND SURVEY SCHEMES

We will ask a qualified valuer to prepare a valuation report for mortgage purposes.

As part of the service to potential home buyers we offer 3 different types of valuation report.

- 1. Report and Mortgage Valuation**
- 2. House Buyers Report**
- 3. 'Drive-by' Valuation**

In view of the major financial outlay when purchasing a property we recommend that you give serious consideration to the types of report best suited to your personal requirements. To assist you in deciding which type of report you require you are advised to study the following descriptions of each scheme carefully.

Report and Mortgage Valuation

This is the most basic and cheapest type of report. It is prepared for our use only to determine whether the property is suitable security for the amount you want to borrow. We will provide you with a copy on the understanding that neither we nor the Valuer gives any warranty, representation or assurance as to the accuracy or validity of any statements or conclusions contained or implied in the report. The Valuer is not required to report on minor defects which are not likely to materially affect the value of the property nor will the Valuer inspect inaccessible parts (such as the roof space, floors, drains etc.) unless he has reason to believe that there may be a serious defect. It may not therefore disclose serious defects which a more detailed survey would reveal.

A fee is payable for the valuation, details of which are shown in the Tariff of Charges booklet.

House Buyers Report

This report will be prepared by an appropriately qualified Valuer. It is a detailed report on the state of repair and condition of the property together with an opinion of the open market value.

The report will cover all those parts of the property that are readily visible or accessible including the roof space if there is easy access to a roof hatch. It will not however, include an underfloor inspection or close inspection of the external faces of the roofs where there is no

direct access or where the roof height is more than 10 feet above ground level. In many properties even a surface inspection of the flooring may not be possible due to fitted carpeting and furniture or fitted hardboard over the floorboards. If appropriate however recommendations will be made as to what further investigations are necessary.

A visual inspection of electrical wiring will be carried out where this is possible and drain covers will be lifted but a definitive report on the condition of services such as these cannot be provided without a test by a competent electrician or a competent plumber. If required these tests can be arranged by the Surveyor at an additional cost.

Any major defects or suspected defects in areas which cannot be inspected will be listed with recommendations for any further investigations or suggested courses of action. The report is not a structural survey and will not necessarily list every minor defect but it should be sufficient to obtain a general opinion on the quality and condition of the fabric of the property. The report will also advise whether the purchase price is realistic, taking into account its repair and condition and the property market in general.

The House Buyers Report is intended to include houses and bungalows up to 200 square metres (approximately 2,000 square feet) in floor area and not more than 3 storeys in height. It may not be suitable for many pre 1914 properties or converted flats. If the Surveyor considers the property to be unsuitable for a House Buyers Report he/she will obtain sufficient information to prepare a Report and Mortgage Valuation.

The full terms and conditions upon which the report is prepared are set out below. The fees charged for House Buyers Reports are shown in the Tariff of Charges booklet and will usually include the cost of preparing a Report and Mortgage Valuation for the Society's use.

Drive-by Valuation

For the majority of remortgage cases up to a maximum loan to value of 75%, our panel valuer will only conduct a drive-by valuation and not inspect the interior of the property. You will not receive a copy of the valuation report. This ensures that our costs are kept to a minimum. We reserve the right at all times to commission a full valuation.

Structural Survey

This type of report is based on a very detailed inspection of the property which you are buying. It provides a comprehensive report on the condition of the property, describing in detail any structural or other defects.

If you require a structural survey it will be necessary for you to negotiate directly with the Surveyor in connection with the extent of the inspection fee. There is no standard scale of charges for a structural survey so it is important that you should ask the Surveyor what the charges will be before deciding to go ahead.

A structural survey does not usually include a valuation for mortgage purposes, but in an effort to keep costs down we will, where possible instruct the same Surveyor to carry out the Report and Mortgage Valuation for our use. If this can be arranged it will normally reduce the cost of the structural survey but the Surveyor must know your precise requirements before the property is inspected so that it is not necessary to make separate visits.

It is also essential that you inform us of your intentions so that the same Surveyor can be instructed to prepare the Report and Mortgage Valuation.

Conditions of Engagement for House Buyers Report

1. The Surveyor will advise on the state of repair, condition and value of the property specified by the applicant. This will be produced on a standard House Buyers Report and Valuation form published by the Royal Institute of Chartered Surveyors.
2. Unless otherwise specifically agreed the Surveyor will advise whether or not the price agreed for the property reflects the current open market value, taking into account the repair and condition of the property and market conditions generally.
3. The Surveyor will carry out such work as is reasonable in his/her professional judgement, bearing in mind the limitations of the inspection (subject to the following notes).
4. The Surveyor will inspect as much of the surface area as is practicable and will be under no obligation to raise fixed floorboards or to inspect those areas of the property that are covered, unexposed or are not readily accessible. Inspection will therefore exclude the roof space (if there is no reasonable accessible roof hatch) and the outer surfaces of the roof if they cannot be readily seen. Similarly, inaccessible flat roofs over 3 metres (10 feet) above ground level will not be inspected.

The Surveyor will not be responsible for arranging the testing of services including a drain test, unless specifically requested to do so.

5. Except when specifically requested, parts of the structure and the woodwork which are covered, unexposed or inaccessible will not be inspected.
6. The report does not seek to express an opinion about, or to advise upon, the condition of uninspected parts. It should not be taken as making any implied comment or statement about such parts.
7. The report is provided for the sole use of the named applicant and is confidential to the applicant and his professional advisers. The Surveyor accepts responsibility to the client alone on the basis that the report will be prepared with the skill, care and diligence reasonably to be expected of a competent Chartered Surveyor but accepts no responsibility whatsoever to any person other than the client himself. Any such person relies upon the report at their own risk.

We do not accept liability for the report or the Valuer.

8. In making the report, the following assumptions will be made:-

- a) that no high alumina cement, concrete or calcium chloride additive or other harmful material was used in the construction of the property;
- b) that the property is not subject to any unusual or especially onerous restrictions, mortgage charge or outgoings and that good title can be shown;
- c) that the property and its value are unaffected by any matters which would be revealed by a Local Search, and replies to the usual enquiries, or by any Statutory Notice, and that neither the property, nor its condition, nor its use, nor its intended use is, or will be unlawful;
- d) that those parts of the property which have not been inspected have no material defects.

Fees and Charges

The fee charged is normally based on the purchase price of the property at the time of the inspection. Where the purchase price is preferential, or where the price is not known at the time of the inspection, the fee charged will be based on the valuation figure. See our Mortgage Product Information Brochure and Tariff of Charges leaflet for confirmation of any valuation fees payable.

6. YOUR MORTGAGE OFFER

When your application has been approved we will send to you a formal Mortgage Offer Letter which will set out the details of the mortgage we can offer you including confirmation of the interest rate and monthly payment. This is a very important document. If the terms and conditions are acceptable you will be asked to sign an acceptance copy of the Mortgage Offer Letter. A copy of the Mortgage Offer Letter will be sent to your Solicitor/Licensed Conveyancer as confirmation that your application has been approved.

Your Mortgage Offer Letter will include these details:-

- your full name(s) and address(es)
- details of your Solicitor/Licensed Conveyancer
- the address of your property (which will be mortgaged to us)
- Key Facts Illustration (KFI)
- the price you are paying for your property
- the amount of the mortgage we have agreed to lend you
- the repayment period
- the monthly payment
- the interest rate (including details of any fixed rate, capped or discount)
- other special terms relating to you or your property
- the type of mortgage you are taking (i.e. repayment, endowment, pension, ISA etc)
- the Society's general Mortgage Offer Conditions.

Please read the whole "Offer" - if there is anything wrong or anything you do not understand, contact us immediately.

7. EXCHANGE OF CONTRACTS

It is at this stage that the purchase becomes legally binding and neither you nor the seller can pull out of the deal. Before exchange of contracts your Solicitor/Licensed Conveyancer will have carried out searches and enquiries relating to your property which should be carefully explained to you. On exchange of contracts you pay over a deposit - usually 5%-10% of the purchase price of your house. Your Solicitor/Licensed Conveyancer will agree an acceptable completion date. Just before completion of your purchase, your Solicitor/Licensed Conveyancer will ask us for the mortgage funds. The funds will be forwarded to your Solicitor/Licensed Conveyancer provided you have returned a signed acceptance copy of the Mortgage Offer Letter and any conditions confirmed in the Mortgage Offer Letter have been dealt with.

8. COMPLETION

Just prior to completion you will be asked to sign the Mortgage Deed which your Solicitor/Licensed Conveyancer will explain to you.

Completion takes place when the rest of the purchase price is paid and the keys are handed over to you.

9. YOUR HOME AT LAST !!

You move into your house and make it your very own home!

LIVING WITH YOUR MORTGAGE

10. AFTER COMPLETION

The following facts and information tell you about some of the matters which may arise after you move in. Please remember, we are here to help you with any problems or questions relating to your mortgage.

What rate of interest will I pay?

We will advise you, in writing, of any adjustments to your interest rate.

How is interest calculated?

The amount of interest is calculated in accordance with the Society's Mortgage Offer Letter and Mortgage Deed. Except where a fixed rate applies for a specific period, the interest rate may change from time to time. We will inform you in writing of any change to the interest rate.

If we inform you of an increase in the interest rate, you have the right to pay off the mortgage in full without becoming liable for the increase, provided you do so within one month of notification of the increase. In such an event you would not be liable to pay any additional interest resulting from the increase but any early repayment charge confirmed in your Mortgage Offer Letter would still apply.

How do I make my monthly payments?

If possible you should make your payments by Direct Debit from your bank account. Alternatively you can pay by cheque or call at any of our branches, or by post.

Insurance

You must keep the property insured for the full replacement value throughout the mortgage repayment period. If the insurance is arranged through us with Heath Lambert Insurance Services which is a trading name of Heath Lambert Limited your sum insured is automatically index linked to the House Building Cost Index prepared by the Royal Institute of Chartered Surveyors, so that your level of protection is kept up to date.

We recommend that you review your building sum insured regularly to ensure that it reflects the full rebuilding cost of your property, and in particular allows for extensions or improvements you have made to your home.

Are home improvement loans available?

Further loans are usually available for improvements and/or repairs to your house. Please ask for details at your local branch.

Can I make capital payments to reduce the mortgage?

See our Mortgage Product Information Brochure and your Mortgage Offer for confirmation of any capital payment limitations.

If you pay off part of your loan early the interest calculation is adjusted each time you make a repayment. This means that any payments will reduce the amount of interest you pay. In the event of any capital repayment (i.e. payment in excess of your normal monthly payment) we will not reschedule your monthly payment unless a specific request is made. You should consider the effect that any additional repayment will have. Additional or early repayments may result in additional interest being charged and any Cashback becoming repayable (see the special product terms and conditions in your Mortgage Offer for details of these charges).

Can I pay off my mortgage early if I wish?

Yes, subject to you paying any early repayment charge or additional interest relating to your mortgage product. Full details will be given in the Mortgage Product Information Brochure and your Mortgage Offer. Also, you should seek our advice if you have taken a "Cashback" mortgage because the cashback is repayable in certain circumstances. When your loan is repaid in full, we will charge interest up to and including the date of redemption.

Is there an early repayment charge?

This depends upon the mortgage product selected. Interest will be charged up to and including the date that full repayment is received. Any early repayment charge is confirmed in our

Mortgage Product Information Brochure and will be set out in your Mortgage Offer Letter. Our redemption administration fee will also be charged - the fee is listed separately in our Tariff of Charges brochure. A statement of the amount required to pay off your mortgage in full is available on request. If you are selling your property, redemption of your mortgage will be arranged by your Solicitor/Licensed Conveyancer. Please remember that if you are selling your house, we can usually arrange a mortgage on your new house. If the mortgage is repaid in full from the proceeds of a life assurance policy following the death of a borrower during the repayment period, we will not impose any early repayment charge which applies under the terms and conditions of a specific mortgage product. In this event, we will only charge interest up to and including the date of redemption.

What if I am unable to make a monthly payment?

We do not believe that a caring approach ends when you move into your house. Personal circumstances can change and sometimes not for the better. Sudden unemployment or ill health can mean no income. If you have taken out mortgage payment protection insurance through us, we can help you with your claim. If your financial difficulties are serious, speak to us before they get out of hand. We can often help you through a worrying or difficult time. Regrettably, we have experience of borrowers who contact us too late thinking their problems will go away - invariably they do not. Remember, our fully trained staff are here for your benefit. **DO NOT BE AFRAID.** We want to help. In some cases you may be eligible for Income Support for Mortgage Interest. Further information about Income Support for Mortgage Interest is available from the Department for Work and Pensions.

We would remind you that early repayment of a mortgage or early surrender of a repayment vehicle intended to repay your mortgage could have adverse financial consequences, depending on the particular type of mortgage or investment taken.

We will follow the general principles of the Council of Mortgage Lender's Statement of Practice on Handling Arrears and Possessions, in particular,

- with your co-operation, we will develop a plan with you for dealing with your financial difficulties and clearing the arrears, consistent with both our interests and yours;
- possession of your property will be sought only as a last resort when attempts to reach alternative arrangements with you have been unsuccessful. If we intend to take possession of your property, this information may be disclosed to credit reference agencies. Your name may be passed to other lenders by being placed on the Council of Mortgage Lenders Possessions Register. We will not give any other information about you to credit reference agencies without your consent.

If you are in difficulties, you can also get help and advice from debt counselling organisations. At your request and with your consent, we will liaise, wherever possible, with debt counselling organisations that we recognise, for example:-

- Citizens Advice Bureaux; or
- Money advice centres; or
- The Consumer Credit Counselling Service.

What if my family circumstances change?

An unexpected change in circumstances (for example, redundancy, long-term illness, relationship breakdown, marriage, death or divorce) may create financial problems and make it necessary to transfer ownership of your house, subject to mortgage, which could lead to early repayment charges being incurred. If you are genuinely forced to redeem your mortgage early because of an unexpected change in circumstances, we will act sympathetically and work with you to find a positive solution. Please bear in mind that whilst insurance is generally available against illness and redundancy, it is not available for relationship breakdown.

Will I receive a statement of account?

Yes, you will receive a statement every year confirming the amount of interest charged to 31 December in the previous year and showing all the transactions on your account during the previous 12 months.

Voting rights for joint borrowers

Where a borrowing members resolution is included in the business at an Annual or Special General Meeting, only the representative joint borrower shall have the right to vote at the meeting. Representative joint borrower means the person who is named first in the Society's records.

Complaints procedure

We have internal procedures for handling complaints fairly and speedily. Details are included in our Resolving Any Differences leaflet. If you have a cause to complain your first step should be to contact your usual branch/department and discuss the situation. Hopefully any minor difficulties can be resolved immediately. There may be occasions however when we have to implement our formal complaints procedure. Under these circumstances you should contact the Manager of the branch or department at Principal Office confirming all the details of your problem. Unless the complaint has been resolved by close of business on the next business day, we will acknowledge receipt of your letter within 2 working days and provide you with a copy of our internal complaints leaflet. If we are unable to resolve the issue through our internal complaints procedure, you may be able to refer the complaint to the Financial Ombudsman Service. This must be done within 6 months of the date of our response. We will include details of the Financial Ombudsman Scheme with our final response.

Data Protection Act

You have a right of access under the Data Protection Act to your personal records held on our computer files and in other ways. You may upon request obtain a copy of details held about you by the Society. A fee is payable for this information (see our Tariff of Charges leaflet for details).

11. SUMMARY OF KEY POINTS FROM YOUR MORTGAGE

This summary lists a number of key obligations included in the Society's Mortgage Clauses which have particular importance to you as a borrower. The list is not exhaustive and must, of course, be read in conjunction with the Society's Mortgage Offer Letter.

You must:-

- Pay your monthly payments promptly. The 25th day of the month is the current nominated repayment day.
- Pay the capital (the amount we lend) at the end of repayment period in an endowment or other "interest only" loan: this means you will need to keep up the endowment policy or other repayment vehicle for the loan. If there are insufficient funds to repay your loan at the end of the repayment period then you will need to make alternative arrangements to pay any shortfall.
- Pay the insurance premiums on your house.
- Repair your house as necessary, and keep it in good condition.
- Comply with any obligation in the documents affecting your house (including payment of rent and service charges where your house is leasehold).
- Comply with any planning (or similar) requirements.
- Not let or part let your house without our prior written consent.
- Pay all the money owing on your mortgage (including additional sums payable on repayment) if you wish to sell your house.

We are entitled to:-

- Apply for a Court Order to remove you from your house if you do not pay your monthly payments or otherwise fail to comply with your obligations, and then sell it to pay off the mortgage.
- Recover from you any loss we make on the sale of your house.
- Take other action to enforce the mortgage against you and/or anyone else who is a borrower with you and/or any guarantor.
- Convert your mortgage from endowment to repayment if the endowment policy/policies lapse(s) and sell or surrender any endowment policy deposited with us.
- Insure your house at your expense (or impose conditions if you insure the property).
- Inspect your house at any time during the repayment period - reasonable notice will (of course) be given, whenever possible.
- Carry out your obligations at your expense if you fail to do so (but we are not obliged to do this).
- Increase or reduce the interest rate on your mortgage (except during any fixed rate period).
- Transfer your mortgage to another Lender.

[Your Solicitor/Licensed Conveyancer should explain your mortgage obligations. If in doubt, please do not hesitate to ask us for help]

12. ADMINISTRATION FEES

We charge administration fees for services which we provide in connection with your mortgage. These charges are intended to cover our costs and may vary from time to time. We will notify you of any changes to these charges which occur during the repayment period. Details of all administration fees are included in our Tariff of Charges leaflet.


**GLOSSARY OF MORTGAGE TERMS WHICH YOU MAY COME ACROSS
WHEN HOME HUNTING AND READING THE LETTERS AND
DOCUMENTS YOU WILL RECEIVE AND SIGN**

BORROWER(S)	THIS MEANS YOU
SOCIETY	THIS MEANS US
APR	THE ANNUAL PERCENTAGE RATE IS AN INTEREST RATE CALCULATION WHICH ALL LENDERS HAVE TO SHOW AS WELL AS THEIR OWN PUBLICISED RATE - THE APR IS INTENDED TO HELP BORROWERS COMPARE INTEREST RATES ON OFFER.
CAPITAL	THE AMOUNT OUTSTANDING ON YOUR MORTGAGE (FROM TIME TO TIME) BEING THE SUM ON WHICH INTEREST IS CALCULATED.
CAPPED RATE MORTGAGE	WHATEVER HAPPENS TO INTEREST RATES YOU WILL PAY NO MORE THAN THE CAPPED RATE DURING THE SPECIFIED PERIOD. THE STANDARD VARIABLE INTEREST RATE WILL APPLY, IF LOWER THAN THE CAPPED RATE DURING THE CAPPED RATE PERIOD.
CASHBACK	A CASH SUM PAID TO YOU AFTER COMPLETION OF YOUR MORTGAGE - CASHBACKS ARE AVAILABLE ON SELECTED PRODUCTS AVAILABLE FROM TIME TO TIME (SEE Mortgage Product Information Brochure FOR DETAILS).
CERTIFICATE OF TITLE	A CERTIFICATE GIVEN TO US BY YOUR SOLICITOR OR LICENSED CONVEYANCER, CONFIRMING THAT THE TITLE TO YOUR HOUSE IS GOOD.
COMPLETION	THE ACT OF COMPLETING YOUR MORTGAGE. IF YOU ARE BUYING YOUR HOUSE - YOUR PURCHASE WILL USUALLY BE COMPLETED THE SAME DAY.
CONTRACT	THE WRITTEN LEGAL AGREEMENT BETWEEN THE SELLER AND THE BUYER WITH REGARD TO THE PURCHASE OF YOUR HOUSE.
CONVEYANCING	THE LEGAL PROCESS OF BUYING AND SELLING YOUR HOUSE.
COVENANT	A LEGALLY BINDING OBLIGATION WHICH YOU OWE TO US OR WE OWE TO YOU.
DECLARATION BY OCCUPIER	A DECLARATION SIGNED BY SOMEONE OVER THE AGE OF 17 WHO WILL ALSO RESIDE IN THE PROPERTY POSTPONING ANY RIGHTS OR INTEREST IN THE PROPERTY PENDING FULL REPAYMENT OF THE MORTGAGE AND ANY FURTHER ADVANCE.
DISCOUNTED MORTGAGE INTEREST RATE	THE PERCENTAGE INTEREST RATE BY WHICH OUR STANDARD MORTGAGE INTEREST RATE IS REDUCED - YOUR MORTGAGE OFFER LETTER WILL TELL YOU THE PERIOD OF THE DISCOUNT.
ENDOWMENT MORTGAGE	INTEREST ONLY IS PAID TO US ON THE AMOUNT YOU BORROW - IN ADDITION YOU PAY LIFE ASSURANCE PREMIUMS TO A LIFE ASSURANCE COMPANY FOR A POLICY WHICH SHOULD BE DESIGNED BY THE ASSURANCE COMPANY TO REPAY YOUR MORTGAGE AT THE END OF THE TERM OR ON YOUR DEATH.
EARLY REPAYMENT CHARGE	SOME OF OUR MORTGAGE PRODUCTS REQUIRE THAT IF YOU PAY OFF ALL OR PART OF YOUR MORTGAGE (OVER AND ABOVE THE USUAL MONTHLY REPAYMENTS) DURING AN INITIAL PERIOD, THEN THE SOCIETY WILL CHARGE AN ADDITIONAL FEE OR INTEREST - SEE MORTGAGE OFFER LETTER FOR DETAILS.

EQUITY	THE DIFFERENCE BETWEEN THE VALUE OF THE PROPERTY AND THE AMOUNT OF ANY LOANS SECURED AGAINST IT.
FIXED RATE MORTGAGE	WHERE THE INTEREST RATE IS FIXED - USUALLY FOR AN INITIAL PERIOD OF YEARS, AFTER WHICH THE INTEREST RATE WILL REVERT TO OUR STANDARD VARIABLE MORTGAGE INTEREST RATE.
FREEHOLD	A HOUSE OWNED BY YOU WITH NO RENT PAYABLE TO ANYONE ELSE
FURTHER ADVANCE	AN ADDITIONAL AMOUNT BORROWED BY YOU SOMETIME AFTER COMPLETION OF YOUR MORTGAGE - POSSIBLY FOR AN EXTENSION OR HOME IMPROVEMENTS.
GUARANTEE/GUARANTOR	A GUARANTEE IS A LEGALLY BINDING COMMITMENT GIVEN BY SOMEONE OTHER THAN THE BORROWER (KNOWN AS THE GUARANTOR) TO PAY THE MORTGAGE AND COMPLY WITH OTHER OBLIGATIONS OWED TO US.
HIGHER LENDING CHARGE	A HIGHER LENDING CHARGE IS NORMALLY REQUIRED BY US WHERE YOUR LOAN IS OVER 75% OF THE PURCHASE PRICE OR VALUATION OF YOUR PROPERTY. SEE OUR MORTGAGE PRODUCT INFORMATION BROCHURE FOR THE FEE SCALE. THE HIGHER LENDING CHARGE IS USED TO PURCHASE INSURANCE FOR OUR BENEFIT ONLY, INTENDED TO COVER PART OF OUR LOSS IF WE HAVE TO ENFORCE THE MORTGAGE AND SELL YOUR HOUSE FOR LESS THAN THE AMOUNT OUTSTANDING ON YOUR LOAN. THE HIGHER LENDING CHARGE DOES NOT RELEASE YOU FROM ANY LIABILITY TO US TO MAKE GOOD ANY LOSS OR SHORTFALL.
INTERMEDIARY	AN INDIVIDUAL, FIRM OR ORGANISATION WHICH INTRODUCES MORTGAGE APPLICATIONS TO LENDERS (FOR EXAMPLE, ESTATE AGENTS, MORTGAGE BROKERS, INDEPENDENT FINANCIAL ADVISORS, SOLICITORS, ACCOUNTANTS AND LIFE ASSURANCE COMPANIES).
JOINT REPRESENTATIVE BORROWER	WHERE THERE IS MORE THAN ONE BORROWER, THE PERSON ENTITLED TO VOTE AND RECEIVE NOTICES FROM THE SOCIETY ON BEHALF OF ALL BORROWERS.
LEASEHOLD	A HOUSE OWNED BY YOU WHERE RENT IS PAID ON THE LAND TO A LANDLORD.
MORTGAGE	A LOAN MADE BY US TO YOU WHICH IS SECURED ON YOUR HOUSE.
MORTGAGE DEED	THE LEGAL DOCUMENT WHICH SECURES THE LOAN AGAINST YOUR HOUSE.
MORTGAGE OFFER LETTER	THE OFFER LETTER SENT TO YOU WHEN WE AGREE TO OFFER YOU A MORTGAGE - IT SETS OUT THE FINANCIAL AND OTHER TERMS OF OUR OFFER.
MONTHLY REPAYMENT	THE MONTHLY SUM PAYABLE BY YOU TO US.
PENSION MORTGAGE	A MORTGAGE WHERE YOU PAY US INTEREST ONLY ON THE AMOUNT BORROWED - IN ADDITION YOU PAY CONTRIBUTIONS TO YOUR PENSION SCHEME INTENDED TO BE SUFFICIENT TO PAY OFF THE AMOUNT YOU HAVE BORROWED AT THE END OF THE REPAYMENT PERIOD. THIS METHOD OF REPAYING YOUR MORTGAGE WILL REDUCE THE AMOUNT OF PENSION AND YOU MUST THEREFORE SEEK PROFESSIONAL ADVICE. YOU WILL BE REQUIRED TO TAKE OUT LIFE ASSURANCE COVER SO THAT THE MORTGAGE CAN BE PAID OFF IF YOU DIE DURING THE MORTGAGE TERM.

POSSESSION PROCEEDINGS	IN THE LAST RESORT WE WILL ASK THE COURT FOR POSSESSION OF YOUR PROPERTY IF YOU FAIL TO PAY YOUR MORTGAGE PAYMENTS OR BREAK OTHER MORTGAGE COVENANTS TO US. AFTER WE OBTAIN POSSESSION WE WILL SELL YOUR PROPERTY AND REPAY YOUR MORTGAGE WITH THE PROCEEDS. ANY SURPLUS WILL BE PAID TO YOU AFTER ALL COSTS HAVE BEEN PAID. IF THE PROCEEDS FROM THE SALE ARE INSUFFICIENT TO REPAY YOUR MORTGAGE INCLUDING INTEREST AND COSTS, WE WILL CLAIM THE SHORTFALL FROM YOU.
PRINCIPAL SUM	THE INITIAL AMOUNT BORROWED BY YOU WHEN YOUR MORTGAGE COMMENCES.
PROPERTY	THIS MEANS YOUR HOME .
REDEMPTION	THE FULL REPAYMENT OF YOUR MORTGAGE.
RE-INSPECTION	WHEN WE ASK OUR VALUER TO CHECK THAT REPAIRS OR OTHER WORK HAS BEEN CARRIED OUT ON YOUR PROPERTY.
REPAYMENT MORTGAGE	A MORTGAGE WHERE YOU PAY INTEREST AND CAPITAL ON THE AMOUNT BORROWED. THE MORTGAGE WILL BE REPAYED IN FULL BY THE END OF THE REPAYMENT PERIOD AS LONG AS YOUR PAYMENTS ARE ADJUSTED WHEN INTEREST RATES CHANGE. NO LIFE ASSURANCE COVER IS INCLUDED IN A REPAYMENT MORTGAGE. SEPARATE ARRANGEMENTS SHOULD BE MADE TO PROVIDE LIFE ASSURANCE COVER, CRITICAL ILLNESS, UNEMPLOYMENT COVER ETC.
RETENTION	AN AMOUNT HELD BACK FROM THE ADVANCE CHEQUE UNTIL AGREED REPAIRS OR OTHER WORKS HAVE BEEN CARRIED OUT TO OUR SATISFACTION.
RICS HOUSEBUILDING COST INDEX	THE INDEX TO WHICH YOUR BUILDING INSURANCE COVER MAY BE LINKED. THIS ENSURES THAT YOUR HOUSE INSURANCE KEEPS PACE WITH CURRENT REBUILDING COSTS.
RULES	THE SOCIETY'S RULES WHICH REGULATE THE RELATIONSHIP BETWEEN US AND OUR INVESTORS AND BORROWERS. AS A BORROWER YOU WILL RECEIVE A COPY OF OUR RULES.
SOLICITOR/LICENSED CONVEYANCER	THE PERSON WHO DEALS WITH CONVEYANCING MATTERS FOR YOU.
STANDARD MORTGAGE INTEREST RATE	OUR NORMAL VARIABLE INTEREST RATE.
TENANCY	WHEN YOU LET YOUR HOUSE - THIS MUST NOT BE DONE WITHOUT OUR PRIOR WRITTEN CONSENT.
TENURE	THE TYPE OF OWNERSHIP OF PROPERTY I.E. FREEHOLD OR LEASEHOLD.
TERM	THE LENGTH OF TIME TAKEN TO PAY OFF YOUR MORTGAGE, ASSUMING YOU PAY ON TIME. IT IS SOMETIMES CALLED THE "REPAYMENT PERIOD".
TITLE	THE DEEDS OR LAND REGISTRY CERTIFICATE FOR YOUR PROPERTY.
VACANT POSSESSION	THE RIGHT TO INSIST THAT ANYONE LIVING IN THE HOUSE LEAVES BEFORE YOU COMPLETE YOUR PURCHASE AND YOUR MORTGAGE.
VALUATION REPORT	THE REPORT WHICH WE OBTAIN TO CONFIRM THE VALUE OF THE PROPERTY BEFORE WE CAN APPROVE YOUR MORTGAGE - THIS IS A BRIEF REPORT NOT A DETAILED SURVEY REPORT.
VENDOR	THE PERSON SELLING THE PROPERTY.

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



The Mansfield Building Society is a member of the Building Societies Association, Financial Ombudsman Service Scheme, Financial Services Compensation Scheme.

Authorised and regulated by the Financial Services Authority - reference number 206049



the
mansfield
building society

PRINCIPAL OFFICE:

Regent House, Regent Street, Mansfield, Notts NG18 1SS
Tel: (01623) 676300

e-mail: enquiries@mansfieldbs.co.uk website: www.mansfieldbs.co.uk

BRANCH OFFICES:

Regent House, Regent Street, Mansfield, Notts NG18 1SS Tel: (01623) 676300
53 Portland Square, Sutton-in-Ashfield, Notts NG17 1AZ Tel: (01623) 554265
4B Station Street, Kirkby-in-Ashfield, Notts NG17 7AS Tel: (01623) 756601
91 New Square, Chesterfield, Derbys S40 1AH Tel: (01246) 202055