

General Information for Regulated Mortgages

Address

Our registered address is:
Co-operative Bank
PO Box 101
Balloon St
Manchester
M60 4EP

Mortgage Purpose

We offer mortgages for the following purposes:

- Purchase of a residential property
- Remortgage of a residential property
- To pay for home improvements or repairs to your property
- To purchase the equity of another party to the mortgage, or to add on a new party to an existing mortgage.
- To raise capital, not to be used for debt consolidation, speculative, or business purpose

Acceptable forms of security

Our mortgages must be secured, by way of a first legal charge (or first ranking standard security in Scotland), on your residential property. This property must be in England, Wales or Scotland

Contract duration

Our mortgages are available from 5 to 40 years, subject to approval. They are not available beyond your 75th birthday. If your required mortgage term takes you beyond your intended retirement age, we will need to assess your post-retirement income. It is your responsibility to make sure you can afford your mortgage payments throughout the term of your mortgage.

Types of borrowing rates available

- Fixed rate mortgages:
The interest rate on a fixed rate mortgage will not change for an agreed period. During this time, because your interest rate is fixed, your payments will not change. Fixed rates typically have an early repayment charge – this will be confirmed in your Mortgage Illustration.
- Tracker rate mortgages:
The interest rate on a tracker mortgage is variable, and linked to a reference rate, such as the Bank of England Base Rate (the “Linked Rate”), for an agreed period – this can be a margin above or below the Linked Rate. If the Linked Rate increases or decreases, your interest rate will also change by the same amount. This means your payments can increase or decrease.
- Standard Variable Rate (SVR) mortgages:
SVR is the rate which we charge when you have not made another arrangement with us – for example, if your fixed or tracker rate has come to an end. This rate is set by the us, is not tied to any other reference rate, and we can change this at our own discretion.

Variable rate mortgages can increase significantly meaning your monthly payments will also increase. Our variable rates have no upper limit to how high the rate can become. You will need to ensure that you can afford any potential increases in your payments if you select a variable rate product. You should also consider the potential increase in your payments at the end of any fixed rate period.

Foreign currency

We do not offer foreign currency loans for purchase or remortgage.

We define a foreign currency loan to be one where you either:

- receive income in a currency other than Sterling
- hold assets in a currency other than Sterling

and intend to use either of these to repay or otherwise support your mortgage.

Possible further costs

A solicitor or conveyancer will be required to act for you, in respect of the conveyancing work needed to mortgage your property to us. Your solicitor or conveyancer will need to be on our panel. Please discuss the specific cost of instructing your solicitor or conveyancer with them directly.

We may also require the property to be valued by our approved Valuer, at your cost. You may wish to instruct a more thorough inspection of the property, the cost for which will be higher.

In certain situations, we will cover the basic cost of remortgaging a property to us

You may have to pay other taxes or costs in addition to any fees included in the total cost of the loan.

Representative example

A mortgage of £323,685 taken for a term of 12 years and 4 months on a fixed rate of 1.99% for 3 years, reverting to our variable rate of 4.49% (variable) for the remaining 9 years and 4 months would require 36 monthly payments of £2,468.22 followed by 112 payments of £2,759.49.

The total amount payable would be £397,953, made up of the loan amount (£323,685), plus interest, and an exit fee of £35.

The overall cost for comparison is 3.4% APRC.

Repayment of your mortgage

You will need to pay your mortgage on a monthly basis by Direct Debit. We will confirm your mortgage payments at the start of your mortgage in your completion statement. Your first payment is often higher than a regular payment, as it will include interest from the day we release your mortgage funds to the end of the month plus the normal monthly mortgage payment. Your mortgage payments may change in line with section of this document called "Types of borrowing available borrowing rate".

- **Repayment Mortgages:**
If your mortgage is held on a repayment basis (sometimes this is called "capital repayment" or "capital and interest repayment"), then your monthly payment will pay off an amount of interest and also some of the capital which you have borrowed. As long as you make your payments in full and on time you will have repaid your mortgage by the end of the term.
- **Interest Only Mortgages:**
If your mortgage is held on an interest only basis, then your monthly payment will **only** pay the interest on your mortgage. This means that the amount you borrowed is still outstanding at the end of the mortgage term. **You are responsible for ensuring that you have a suitable repayment vehicle in place to repay the mortgage at the end of the term. If you cannot repay the mortgage at the end of the term, you could lose your home.**
- **"Part and Part"**
Some mortgages have repayment and interest only parts. The information above will apply to the respective parts of your mortgage.

Property valuations

A valuation may be required for your mortgage, and any variation to it.

The valuation must be carried out by a valuer instructed by us. There may be a fee for this, payable to the valuation company.

This valuation will be for our use in deciding if your property offers us suitable security for your mortgage. You should not rely on it to confirm the suitability or resale value of the property.

If you wish to have a more detailed valuation carried out for your own use, this can also be arranged.

Additional obligations

You will need to have suitable buildings insurance in place for your property for the duration of your mortgage.

For purchases, except those in Scotland, this insurance must begin no later than exchange of contract.

For all other cases, this must be in place no later than completion of the mortgage.

You do not have to take this insurance out through or with us.

Complying with the terms and conditions

We expect you to comply with the terms and conditions of your mortgage, including but not limited to :-

- making your monthly payment
- For Interest Only mortgages make and keep to arrangements for repaying the capital outstanding at the end of the term.
- Keeping the property in good repair
- For leasehold properties ensuring that applicable Ground Rent and Service Charge payments are maintained.

Where you fail to meet these obligations there maybe additional costs or your credit score maybe affected, making it more difficult to obtain credit in the future. In the event of severe breaches of your obligations the ultimate consequence may be legal action to take possession of your property.

As a last resort, your home may be repossessed if you do not keep up with payments