

KEY MORTGAGE INFORMATION & EXPLANATIONS

THE SOCIETY

Within this document reference to 'we' 'us' and 'our' refers to the Society, full details of which are:

- ✉ Tipton & Coseley Building Society, 70 Owen Street, Tipton, West Midlands, DY4 8HG
- ☎ 0121 557 2551
- 🌐 <http://www.thetipton.co.uk/home/contact>

The Society provides mortgage finance on a first charge basis to assist in the purchase, remortgage or improvement of residential property which is used solely for wholly owner-occupied purposes.

LEVEL OF SERVICE AND BASIS OF REMUNERATION

Direct mortgage applications:

- In respect of your mortgage requirements, we will advise and make a recommendation for you after assessing your specific needs.
- We only offer mortgages from Tipton & Coseley Building Society.
- The Society will not charge you a fee for the advice we give to you. There may however be fees relating to the mortgage product we recommend to you. Further details of these will be clearly shown in the section 'What fees must you pay' within your Mortgage Illustration. This will be given to you as part of the interview process and will also be included within the Mortgage Offer should your application be approved.

Introduced mortgage applications:

- Where your application is submitted through a third party, such as a financial adviser or mortgage broker they may charge a fee for the advice which they provide and for sourcing a mortgage for you. This will be in addition to any fees relating to the mortgage product which you are advised to take. Where this is the case, the amounts which they charge, in addition to those which are applicable to the product, will be clearly shown within your Mortgage Illustration. This will be given to you as part of the interview process. Details will also be included within your Mortgage Offer should your application be approved.

WHO REGULATES US

Tipton & Coseley Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Our Financial Services Register number is 159601.

Our permitted business is advising on and arranging mortgages and arranging pure protection.

You can check this on the Financial Services Register, by visiting the FCA's website www.fca.org/uk/firms/systems-reporting/register or by contacting the FCA on 0800 111 6768.

WHAT TO DO IF YOU HAVE A COMPLAINT

We always try to provide a high level of customer service. Occasionally, however, things can go wrong. If they do, we will try to put them right.

If you have a complaint you should contact the Mortgage Manager at our Head Office. A copy of our complaints procedure is available on request.

If we do not deal with your complaint to your satisfaction, you can refer it to the Financial Ombudsman Service. Details of this service are available on request at any of our offices.

You may also be able to submit complaints to the Financial Conduct Authority.

We are part of the Financial Services Compensation Scheme. Details of this scheme, and who is covered by it, can be provided separately.

FINANCIAL SERVICES COMPENSATION SCHEME

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

Mortgage – advising and selling is covered up to a maximum limit of £85,000.

Further information about compensation scheme arrangements is available from the FSCS.

DATA PROTECTION

Any information you provide during the course of a mortgage interview may be held on record by the Society. The record may also be held as a computer record. The Society may use this information to provide you with details of other services or products (including those supplied by third parties), that we think may be of interest to you. For this purpose, the information may be passed to other carefully selected third parties. You will be given the option to advise the Society that you do wish to receive any information about products and services.

Under the Data Protection Act 2018, you have the right to ask us to send you a copy of your records and the right to change any of your information that is incorrect.

Tipton & Coseley Building Society may monitor and record telephone calls to ensure that we have carried out your instructions correctly, to help us improve our service, to enable us to resolve complaints and help investigate or prevent fraud or other crimes. Any recordings we make are the property of Tipton & Coseley Building Society.

THE IMPLICATIONS OF A MORTGAGE

Buying a house is probably the biggest financial commitment you will undertake. Your mortgage is a long term transaction requiring you to make a regular monthly repayment to the Society for the lifetime of the mortgage. You should therefore ensure that you can comfortably afford both the present payment and possible future

increases in payments due to interest rate changes. If you fail to make regular repayments, the Society may be forced to take legal action against you, which may ultimately lead to the repossession of your property. It is vital, therefore, that you let us know immediately if you have any problems making your payments.

TYPES OF MORTGAGE SCHEMES AND APPLICABLE FEES

We regularly review our mortgage schemes to ensure that you have a range of competitive products to choose from. The main schemes are explained below and details of our current range can be found in our 'Mortgages' leaflet or online and may not include all of the options mentioned below, as some products may be unavailable at certain times.

Discounted Rates – are where the initial mortgage rate is set below our Standard Variable Mortgage Rate (SVR) for a set period of time. Because the discounted rate is a variable rate, it will, subject to any interest rate floor* that may apply, move up or down in line with the SVR and your payment will alter accordingly. At the end of the discount period, your mortgage will revert to our SVR, which will result in an increase in your monthly repayments.

*Interest rate floor – the minimum interest rate that will be charged on your mortgage, even if a reduction in the Society's SVR would result in the product rate dropping below the floor.

Fixed Rates – are where the interest rate stays fixed for a set period of time, regardless of how the SVR moves up or down. This means that for the fixed rate period, you know exactly what your monthly payment will be and can budget accordingly.

You should bear in mind however that if the SVR moves **below** the fixed rate, your rate will not fall and you will be paying more than you would if you had a variable rate. At the end of the fixed rate period, your mortgage will revert to the SVR, which may result in an increase in your monthly repayments.

Portable Mortgages – these allow you to carry on with your chosen mortgage scheme when you move house. The portability option is specific to each individual product and full details are included in the specific terms and conditions applicable to each product.

Right to Buy Mortgages - The Right to Buy scheme gives eligible council and housing association tenants the right to buy the property they rent at a discount. We may be able to lend you 100% of the discounted purchase price, subject to certain terms and conditions.

Standard Variable Mortgage Rate - In certain circumstances this may be the most appropriate form of mortgage for you to have, usually when the term is going to be very short, or where you intend to pay off large lump sums. Our SVR is used for many of the Society's mortgage products. The SVR varies from time to time as a result of general market interest rates and the Society's commercial needs.

Capital Raising – Should you wish to raise capital against, or release available equity from, your property by means of a remortgage or additional loan you should consider all of the following options:

- In the case of a remortgage, an additional loan from your existing lender.
- A second charge secured against your property.
- A new mortgage which includes the additional funds.
- Unsecured borrowing.

If you are considering consolidating debts, think very carefully before doing this, as your home will be at risk if you fail to meet the repayments.

Product or Arrangement Fees – A number of our products include fees, which vary from product to product. In normal circumstances this fee will be deducted from the mortgage advance before it is sent to your Conveyancer. However, should you wish to add this fee to the mortgage advance you will need to positively elect to do so (**please note that any fees added to the mortgage advance will form part of the outstanding balance and will incur interest charges at the prevailing rate**).

Application Fees – The Society may also offer products that include an application instead of, or in addition to, a product fee. An application fee must be paid in full at the time your application is made and is non-refundable if your application does not proceed for any reason.

REPAYING YOUR MORTGAGE

Repayment - With this type of mortgage your monthly payment is made up of interest and capital so that over the term of the mortgage the capital is repaid in full. You should bear in mind that if you have dependants, you should consider arranging a separate life assurance policy to financially protect them.

Interest Only Mortgages (available up to a maximum of 75% loan to value or purchase price – whichever is the lower) - An interest only mortgage is where your monthly repayments cover only the interest part of your mortgage. They do not pay off the amount you owe. This means that, at the end of the mortgage term, assuming that you have made all the interest payments, you will owe the same amount that you borrowed in the beginning. We will ask you to confirm as part of the application process how you intend to repay your interest only mortgage at the end of your term. This can include one or more of the following:

- **Endowment**

In addition to your mortgage repayment each month, you pay a premium on an endowment policy to a life assurance company, to build up a sum of money which aims to repay the mortgage at the end of the term. This policy includes built in life assurance protection.

- **ISA & Pension Linked**

These are similar to endowment mortgages, whereby you arrange an ISA (Individual Savings Account) or Pension policy which aims to repay the outstanding balance at the end of the mortgage. As both ISA and Pension linked schemes have no built in life cover it is necessary for an appropriate policy to be taken out to cover the amount of the mortgage during its term.

- **Sell a second property to pay off the mortgage**

The property must be registered in the same names as the applicants and must not be your main residence following completion of the mortgage. We will undertake a valuation of the property and take a legal charge on it and you will be responsible for all costs incurred in doing this. The valuation must confirm that the property has equity equivalent to the amount required on an interest only basis plus a further 40%.

Please note that with Endowment, ISA and Pension linked mortgages it is **your** responsibility to ensure that appropriate life cover is in place by completion of the mortgage and that adequate arrangements have been made to ensure that full repayment of the mortgage is made at the end of the term. You should also bear in mind that usually the maturity value of these policies is **not** guaranteed and in the event of a shortfall you would have to make up the difference from your own funds.

You must also inform the Society immediately if you cease making payments to an Endowment, ISA or Pension policy attached to your mortgage as, dependant on individual circumstances, it may be necessary to amend your account to a repayment basis. We cannot be held liable for any losses incurred as a result of non-payment of premiums.

For Pension and ISA Linked mortgages the maximum repayment period is 35 years, although this may be further limited due to the age of the applicants at the time of the making of a mortgage application.

Term - A mortgage term is usually over a period of 25 years although it may be that individual circumstances mean that an alternative term is advisable. A longer mortgage term will result in a lower monthly repayment but you will pay back more over the lifetime of the mortgage when compared to a shorter term. In normal circumstances the mortgage term must not exceed the normal retirement age of the highest wage earner at the time the application is made.

Early Repayment Charges - Like mortgage products from many lenders, many of our mortgage schemes impose charges should you choose to either repay your total mortgage balance or make capital repayments within the period in which the mortgage product applies. Please refer to the specific product terms and conditions for further details.

Our mortgage products that carry an Early Repayment Charge will have the maximum amount of the charge specified on the Mortgage Offer. The charge will be payable if the mortgage is redeemed or switched to another product during the Early Repayment Period. **The charge will be calculated on the mortgage's capital balance at the day on which redemption or rate switch takes place. Additional fees in respect of producing a redemption statement, sealing the title deeds and releasing them following redemption may also be payable when you repay the loan.** Our 'Tariff of mortgage charges' details the current level of charges and the terms and general conditions relating to our mortgage products.

Certain products allow you to pay up to 10% of the original loan amount, in any calendar year, without incurring an Early Repayment Charge. Full details can be found within the terms and conditions relating to your specific mortgage product.

Change in Personal Circumstances - Changes in personal circumstances (for example, long-term sickness or relationship breakdown) can have adverse financial consequences, depending on the particular type of mortgage or investment product.

If you have any queries or concerns with regard to this, please do not hesitate to contact us.

HOW MUCH CAN YOU AFFORD

As part of this document we have included an Affordability Calculator to help you calculate your monthly spending and to help show you how much you will have left to cover your monthly mortgage payment. We will undertake an affordability calculation as part of your application so that you are aware of the impact your mortgage payment will have before entering into any commitment.

As well as being able to afford the monthly repayments, we recommend that you take into account the various expenses associated with owning and running a house. This is especially relevant if you have previously been a tenant as, whilst you are probably aware of the likely cost of your monthly bills, you will need to start budgeting for additional costs such as the maintenance and upkeep of the property that your landlord would previously have covered.

HOW YOUR MORTGAGE ACCOUNT WORKS

Daily Interest - The interest you pay is based on the outstanding balance of your mortgage each day. Interest is added to your mortgage every month. Each time you make a mortgage repayment, not merely capital repayments, the balance reduces at once and the interest due is adjusted accordingly.

Following an interest rate change, the amount of extra interest or reduced interest will be calculated from the date of the interest rate change using the outstanding balance as at the month end immediately prior to the interest rate change taking place.

TYPES OF VALUATION AND VALUATION FEES

A **Standard Building Society Valuation** is carried out purely for our purposes and involves a limited inspection of the property. The report indicates the general condition of the property and confirms whether it is suitable security for a mortgage. This type of valuation must be undertaken in all cases.

A **RICS Home Buyers Report & Valuation** is a more detailed inspection of the property and includes a standard valuation for our purposes. You will receive a report from the valuer which gives full details of his inspection and his opinion of the current value of the property.

Re-inspection Fee – If your mortgage is released in stages and if you are using the money to renovate your home, this fee covers the new valuation in order to update our records to reflect the valuation including the works which you have undertaken.

In circumstances such as where you are buying a new build property a re-inspection may be required once the property has been completed. In these circumstances the fee will be deducted from the advance funds before they are released to your conveyancer.

Valuation Fees – Certain of our products include a free standard valuation. However, where you select a Home Buyers Report and Valuation you will need to pay the difference between the cost of a standard valuation and the Home Buyers Report and Valuation. Where you need to pay the valuation fee full details of the current fees are provided within the Tariff of Mortgage Charges document. The valuation fee must be paid when you make your mortgage application. All valuation fees (with the exception of the re-inspection fee) include an administration charge of £75, which, together with the valuation fee, is **non-refundable under any circumstances**.

HIGHER LENDING CHARGE

If you need to borrow more than 80% of the purchase price or valuation of the property (whichever is the lower), a higher lending charge will be incurred. This is charged because there is a greater risk to us than for standard loans of 80% and below. For new loans the Society will pay the higher lending charge. However, if you borrow additional funds secured against your property this **may** become payable. This non-refundable fee is deducted from the additional borrowing funds upon completion.

Please refer to the information sheet 'Higher Lending Charge - A Borrowers Guide' for further details.

INSURANCE

When you apply for a mortgage, the valuation of the property will include an assessment of the estimated rebuilding cost (re-instatement value). This amount includes associated costs including professional and legal fees such as architects and surveyors associated with repairing or rebuilding a property. It is a condition of your mortgage that your property is insured for at least this amount.

When arranging your insurance, you should bear in mind that you are responsible for ensuring that all premiums are paid and that cover does not lapse. We cannot be held responsible for any losses incurred as a result of non-payment of premiums. It is your responsibility to tell your insurers about any changes in circumstances which may affect your insurance cover, and generally to comply with the terms of your policy.

Full details of our requirements regarding buildings insurance cover will be provided to you within the 'Terms for Insurance' leaflet which will be included within your Mortgage Offer pack. You should be aware that cover will need to be in place in time for legal completion.

CONVEYANCERS

It is usually our policy to instruct the same firm of solicitors or licensed conveyancers you have chosen to also act for ourselves. In certain circumstances we may choose to instruct our own solicitors to act on our behalf, an example of which would be if your solicitor or licensed conveyancer is a sole practitioner. In these circumstances

you will incur costs in addition to your own solicitors/conveyancers charges. Full details are available on request.

PROBLEMS PAYING YOUR MORTGAGE

Whilst we make all necessary enquiries as part of the application process to ensure that your mortgage is affordable, we understand that there are circumstances that are beyond your control and which may lead to short term financial difficulties.

Should such circumstances arise we would encourage you to contact us at the earliest opportunity as there may be a number of solutions which we can achieve by working together.

In addition, free and impartial advice is available from a number of sources including the **Money Advice Service** whose information sheet '*You can afford your mortgage now, but what if...?*' will help you consider the risks. You can get a free copy from <http://www.moneyadviceservice.org.uk> or by calling 0800 138 7777.

MISCELLANEOUS

Age - All applicants must be at least 18 years of age at the time of application. Under normal circumstances, the mortgage term will not extend beyond the state retirement date of the highest earning applicant. Exceptions to this **may be considered** based on individual circumstances.

Credit Reference Agency - We will disclose information to credit reference agencies and other authorised agencies for credit assessment, fraud prevention, processing of transactions, debt recovery and general business purposes. Information may be registered with credit reference agencies and used by other lenders in assessing applications from you and members of your household and for occasional debt tracing and fraud prevention.

Information about your mortgage debts owed to us will be disclosed to credit reference agencies.

Credit searches and other information which is provided to and by the Society and/or credit reference agencies may be used by the Society and other companies if credit decisions are made about you. In the case of a joint mortgage an association will be created at credit reference agencies which will link financial records and will be taken into account in all future applications for credit whether you apply in single or joint names.

This information may also be used by the Society and other companies in making decisions about credit and insurance facilities. It may also be used for tracing and claims assessment.

If we intend to take possession of your property, we will tell you that this information may be disclosed to credit reference agencies and that a default will be filed on their records.

We will not give any other information about you to credit reference agencies without your consent.

Reflection period – Should your application be successful and we proceed to issue a Mortgage Offer this will include a 10 day reflection period. The purpose of this is to allow you to reflect on the contents of the Offer and any conditions attached to the same, before you commit yourself to taking out the mortgage. However, you will be able to waive this period should your circumstances mean you need to do so. Further details will be included within the Offer document and Acceptance of Mortgage Offer document issued at that time.

Terms and Conditions – Compliance with the terms and conditions of the mortgage does not ensure repayment of the total amount of credit.

Changes to Terms and Conditions – We may change the terms and conditions applying to your Mortgage if we give you not less than one month's notice, as long as the change does not work to your disadvantage. We will only make such a change to reflect the requirements of any regulation, to clarify any existing term or condition or make it fairer, or to enable us to enhance the terms of your Mortgage or to correct any errors.

Changes to Interest Rates - These are displayed in branch offices and in the Express & Star, Dudley Chronicle, Sandwell Chronicle and Wolverhampton Chronicle newspapers. The rates that have applied during the year are shown on your annual mortgage statement, although you have a duty to keep yourself up to date with interest rate changes. Further details regarding any variation of the rate of interest, and the reasons behind such variations, are shown within the Residential Mortgage Conditions 2018.

Confidentiality - We will treat all your personal information as private and confidential (even when you are no longer a customer). Nothing about your accounts, nor your name and address, will be disclosed to anyone, other than in four exceptional cases permitted by law. These are:

- Where we are legally compelled to do so;
- Where there is a duty to the public to disclose;
- Where our interests require disclosure;
This will not be used as a reason for disclosing information about you or your accounts (including your name and address) to anyone else for marketing purposes.
- Where disclosure is made at your request or with your consent.

Mortgage Completions - All mortgage completions will be by means of telegraphic transfer for which a funds transfer fee of £25 will be charged and deducted from the advance funds. Please refer to the terms and conditions of your specific mortgage product for more details.

Redemption - Upon redemption of your mortgage with the Society redemption interest will be charged until the date upon which the funds are deemed cleared by the Society's bankers.

Capital Repayments - Before making a capital repayment you should satisfy yourself with regard to any Early Repayment Charges that may apply and these are detailed in the Mortgage Offer under the section headed 'What happens if you do not want this mortgage anymore?'

Rules & Membership - When completion of the mortgage takes place you will become a member of the Society and be bound by the Society's Rules, copies of which are available on request.

Which law applies? – All Mortgages issued by the Society are governed by the law of England and Wales.

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

Tipton & Coseley Building Society Valuation Fees

Property Value	Standard Valuation Fee	RICS Homebuyers Report and Valuation Fee
Up to £100,000	£200.00	£445.00
£100,001 to £150,000	£225.00	£495.00
£150,001 to £200,000	£250.00	£550.00
£200,001 to £250,000	£275.00	£605.00
£250,001 to £300,000	£300.00	£665.00
£300,001 to £350,000	£325.00	£710.00
£350,001 to £400,000	£350.00	£750.00
£400,001 to £450,000	£375.00	£795.00
£450,001 to £500,000	£400.00	£825.00
£500,001 and above	Please contact the Society for a quotation	

Please note that the above fees include an administration charge of £75.00. The valuation fee (including the administration charge) will not be refunded under any circumstances.

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

70 Owen Street, Tipton, West Midlands DY4 8HG
 Telephone: 0121 557 2551 Fax: 0121 557 8570
 Member of the Building Societies Association.

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Affordability Calculator

Monthly Income		Credit Commitments	
Wages/Salary (1)	£	Credit Cards (s)	£
Wages/Salary (2)	£	Bank Loan (s)	£
Child Benefit	£	Hire Purchase	£
Working Family Tax Credits	£	Car Finance	£
Child Tax Credits	£	Store Card (s)	£
Pension	£	Catalogue (s)	£
Other	£	Other	£
TOTAL	£	TOTAL	£

Expenditure		Calculation	
Mortgage	£	Total Monthly Income	£
Endowment Policy	£	less	
Buildings/Contents Insurance	£	Total Expenditure	£
Life insurance/Pension	£	Total Commitments	£
Ground Rent/Service Charge	£	equals	
Council Tax	£	Disposable income	£
Water Rates	£	<p>Please note these figures are for your own guidance. The Society will use a different calculation when assessing your affordability for underwriting purposes.</p> <p>A positive disposable income figure does not guarantee that the Society will be able to lend you the amount required.</p> <p>Should you require further confirmation on the Society's calculations, or the maximum amount the Society will be prepared to lend to you, please contact one of the Society's Sales Advisers.</p>	
Gas	£		
Electricity	£		
Telephone	£		
TV rental/licence	£		
Cable/Sky	£		
Food	£		
Clothing	£		
Travelling expenses	£		
Maintenance Payments	£		
Total	£		