the tipton & coseley building society

# Retirement Interest Only Product Guide

## Purchase Products

### Discount Rate Purchase Products

| Product code | Initial rate | Product[1] | | Followed by our SVR |
|---|---|---|---|---|
| **DG007** | 2.69% | 2.25% discount for 3 years | | 4.94% |
| The overall cost for comparison is | Maximum LTV | Maximum loan | Interest rate floor[2] | Product fees |
| **4.7% APRC** | 60% | £1million | 2.69% | £499 arrangement fee[3] |

| Product code | Initial rate | Product[1] | | Followed by our SVR |
|---|---|---|---|---|
| **DG008** | 3.24% | 1.70% discount for the mortgage term | | 4.94% |
| The overall cost for comparison is | Maximum LTV | Maximum loan | Interest rate floor[2] | Product fees |
| **3.3% APRC** | 60% | £1million | 2.99% | £499 arrangement fee[3] |

### Fixed Rate Purchase Products

| Product code | Product[1] | Followed by our SVR | The overall cost for comparison is | Maximum LTV | Maximum loan | Product fees |
|---|---|---|---|---|---|---|
| **FG017** | 3.19% fixed to 31 October 2023 | 4.94% | **4.7% APRC** | 60% | £1million | £999 arrangement fee[3] |

| Product code | Product[1] | Followed by our SVR | The overall cost for comparison is | Maximum LTV | Maximum loan | Product fees |
|---|---|---|---|---|---|---|
| **FG018** | 3.49% fixed to 31 October 2025 | 4.94% | **4.6% APRC** | 60% | £1million | £999 arrangement fee[3] |

## Remortgage Products

### Discount Rate Remortgage Products

| Product code | Initial rate | Product[1] | Followed by our SVR | The overall cost for comparison is |
|---|---|---|---|---|
| **RDG008** | 2.69% | 2.25% discount for 3 years | 4.94% | **4.6% APRC** |
| Maximum LTV | Maximum loan | Interest rate floor[2] | Product fees | Product incentives |
| 60% | £1million | 2.69% | £499 arrangement fee[3] | Free standard valuation[4]; and legal fee cashback[5] |

| Product code | Product rate | Product[1] | Followed by our SVR | The overall cost for comparison is |
|---|---|---|---|---|
| **RDG009** | 3.24% | 1.70% discount for the mortgage term | 4.94% | **3.3% APRC** |
| Maximum LTV | Maximum loan | Interest rate floor[2] | Product fees | Product incentives |
| 60% | £1million | 2.99% | £499 arrangement fee[3] | Free standard valuation[4]; and legal fee cashback[5] |

Call us on
**0121 521 4000**
or visit
**www.thetipton.co.uk**
for more information

the tipton
& coseley building society

# Retirement Interest Only Product

## Fixed Rate Remortgage Products

| Product code | Product[1] | Followed by our SVR | The overall cost for comparison is |
|---|---|---|---|
| **RFG017** | 3.19% fixed to 31 October 2023 | 4.94% | **4.6% APRC** |
| Maximum LTV | Maximum loan | Product Fees | Product incentives |
| 60% | £1million | £999 arrangement fee[3] | Free standard valuation[4]; and legal fee cashback[5] |

| Product code | Product[1] | Followed by our SVR | The overall cost for comparison is |
|---|---|---|---|
| **RFG018** | 3.49% fixed to 31 October 2025 | 4.94% | **4.5% APRC** |
| Maximum LTV | Maximum loan | Product Fees | Product incentives |
| 60% | £1million | £999 arrangement fee[3] | Free standard valuation[4]; and legal fee cashback[5] |

## Income multiples and affordability

For joint applications, each borrower must be able to individually satisfy affordability criteria. This can be established either by a transfer of pension rights, joint investments or a specific life policy.

Applicants must be retired and receiving verifiable income from a pension or other sustainable source, such as investments or rental income. Once affordability is satisfied, we apply a 4.49 times income multiplier to determine the maximum level of borrowing.
To verify if your clients meet affordability criteria, contact a member of the team directly.

## Mortgage and client criteria

Your client must be aged 55 or over and receiving verifiable pension income. For joint applications, both of your clients must be aged 55 or over and each applicant must be able to individually satisfy affordability.

Your clients can use the sale of their home as their repayment strategy provided they have a minimum of 40% equity in their property. Up to 25% of the property value can be released for capital raising purposes.

The mortgage must be repaid following a life event, including:

- death of the sole borrower or the surviving borrower for joint mortgages;
- sole borrower or surviving borrower for joint mortgages entering long-term residential care; or
- sale of the property.

## Lending on retirement properties

If your client is looking to purchase a purpose built retirement property, the following criteria restrictions apply:

- Maximum 60% LTV
- £75,000 minimum property value;
- Section 106 restrictions are accepted where the developer has specific right to first refusal of buy back as long as no onerous terms or reduced value apply;
- New build apartments are accepted; and
- Properties within a large scale retirement village will be considered subject to valuer feedback.

### What you need to know:

**Please note:** The minimum loan amount is **£50,000.**

1 Early Repayment Charges apply during the product term. Up to 10% of the original mortgage amount can be overpaid each year without charge. If the mortgage is redeemed or switched to another product during the product term then the full amount of the Early Repayment Charge will apply. For further details contact a member of the team. Please note, where the product is discounted for term, an ERC will apply during the first five years

2 Interest rates on our discount products are floored and can't fall below the rate shown.

3 The arrangement fee can be deducted from the advance or added to the mortgage. Interest is payable if the fee is added to the mortgage.

4 We'll cover the cost of a standard mortgage valuation on a property valued up to £400,000, which is equivalent to a £350 contribution towards the cost of a standard valuation. Your client may choose to have a RICS Homebuyers Report, however they'll have to cover the difference in cost between a standard mortgage valuation and the RICS Homebuyers Report.

5 Clients must nominate their own solicitor, but will receive £250 cashback from the Society towards their legal fee costs.

**Strictly for intermediary use only. Under no circumstances should this communication be given, copied or distributed to customers or potential customers. A Decision in Principle must be submitted to secure funds.** Applications are accepted throughout England and Wales. Properties located in Scotland, Northern Ireland or the Isle of Man will not be accepted. The minimum property value is £75,000 (increasing to £250,000 for properties located within the M25 corridor). Rates correct at 17 July 2020 and can be withdrawn without notice.

Call us on
**0121 521 4000**
or visit
**www.thetipton.co.uk**
for more information