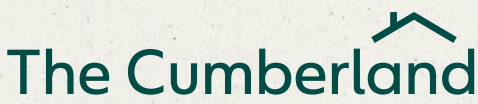


# MORTGAGES

*Make the right choice*



  
Kinder banking. It's in our nature.

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# MORTGAGES

*From the Cumberland*

We provide a friendly, personal service and a wide range of products. Whether you are buying your first house, moving home or simply looking to save money on your monthly payments, we may have a great mortgage deal for you...

## WHY CHOOSE US?



**We offer a wide range of products, whether you are:**

- buying your first home
- moving home
- transferring your mortgage from another lender
- buying a property to let
- an existing Cumberland mortgage customer looking to borrow more money

For further information on any of the mortgages in this leaflet, or to check our current mortgage deals, please call into your nearest branch or visit our website.



# FIRST TIME BUYERS



**We appreciate that buying your first home is a big step.**

That's why our specialist mortgage & protection advisors are there to provide you with advice along the way.

We are here to guide you through the home buying process and answer any questions that you have.

To help you get your foot on the property ladder we offer a range of mortgage deals especially for first time buyers, which allow you to borrow up to 95% (subject to lending criteria at the time) of the purchase price of the property or the valuation (which ever is the lower).



**For a free copy of our exclusive First Time Buyer Guide, please call into your nearest branch or visit our website.**

## MOVING HOME



We offer discount variable or fixed rate mortgages, with the choice of repayment or interest only options.

Our friendly staff will do everything possible to ensure that the mortgage process is completed smoothly. We can answer any other questions you may have about your move: from how to deal with estate agents and surveyors' reports to when to book the removal van.

## TRANSFERRING YOUR MORTGAGE



If you are looking to save money on your mortgage, you could do so by moving your mortgage to the Cumberland. You may also be able to increase your mortgage to raise money for other purposes.

Switching your mortgage to the Cumberland is simple. We'll cut out as much of the hassle as possible. We'll normally include a free valuation and pay your legal fees if you use one of our nominated solicitors, (standard cases only)\*

**\*This excludes borrowing amounts over £750k and Buy to Let products.**

## BUY TO LET



If you are thinking of becoming a landlord, we offer a choice of mortgages for residential and holiday lettings. If you already have a Buy to Let mortgage, you could switch to one of our Buy to Let remortgages.

**For further information please ask for a copy of our Buy to Let leaflet.**

## ADDITIONAL BORROWING



If you are an existing Cumberland borrower, you can apply for an additional loan to pay for home improvements, or perhaps the holiday of a lifetime or a new car.

The maximum amount you can borrow will also depend on the purpose of the loan.

## DIFFERENT TYPES OF MORTGAGES

### FIXED RATE MORTGAGE

With a fixed rate mortgage, your interest is fixed for an agreed period. During this period your monthly repayments stay the same so you know exactly how much you're going to pay each month for a set amount of time. Even if interest rates go up, you will continue to pay the same amount each month, but if they drop your payments won't fall. An arrangement fee may be payable and if you repay all or a significant part of your mortgage before the end of the fixed period, an early repayment charge is likely to apply.

### DISCOUNT VARIABLE RATE MORTGAGE

Your interest is a set percentage above or below our Standard Variable Rate (SVR) for an agreed period of time. If you have a variable rate mortgage your payments will go up or down whenever the rate it is tracking goes up or down. An arrangement fee may be payable and if you repay all or a significant part of your mortgage before the end of the discount period, an early repayment charge is likely to apply.



# FREQUENTLY ASKED QUESTIONS

## Can I get a mortgage?

This does depend on your individual needs and circumstances and you'll need to meet our lending criteria; You need to be over the age of 18 when you apply, have a regular income and are able to show that you can meet the monthly mortgage payments.

## How much can I borrow?

The amount you can borrow depends on your income, outgoings and individual situation. You can get an idea of what you could borrow with our mortgage calculator, but for more detailed figures speak to one of our mortgage & protection advisors.

If you want to apply for a mortgage with an additional person we will usually take into account your joint incomes.

Once we have talked to you about a mortgage, we can give you a 'Cumberland Mortgage Affordability Certificate' also known as a 'Decision in principle' telling you how much we can lend you if the valuation of the property is satisfactory and we can verify the information you have provided to us.

On a residential property we will consider lending up to 95% of the purchase price of the property or the valuation (whichever is the lower).

If you would like to transfer an existing mortgage with another lender to the Cumberland we will normally lend up to 90% of the current valuation of your home subject to lending criteria at the time.

# FREQUENTLY ASKED QUESTIONS

## What will it cost me?

### Initial Costs

In addition to the deposit you may have an arrangement fee to pay, you will also have other expenses such as conveyancers' fees (including registration fees and possibly stamp duty land tax), valuation fees (unless the mortgage product you have chosen includes a free valuation) and insurance costs. We will go through these with you so that you can work out how much you need to borrow.

### Monthly Mortgage Payment

The amount of the monthly mortgage payment depends on:

- how much you wish to borrow
- how many years you pay it back over
- the type of mortgage you choose, and
- the current interest rate

Take all these points into account and with the help of a Mortgage Illustration you should have a good idea of how much your mortgage will cost each month.

### Charges

When you make your mortgage application we will give you a leaflet called "Tariff of Mortgage Charges" which contains the charges that we may make in connection with your mortgage.

## What types of mortgage are available?

There are two ways of repaying your loan – repayment and interest-only, or a mixture of the two.

### Repayment Mortgage

This type of mortgage involves repayment of the loan gradually over an agreed period. Each monthly payment you make consists of two parts, interest on the loan and repayment of part of the capital of the loan. Most of your monthly payment in the first few years simply covers the interest with only a small amount going towards repayment of the capital. The repayment part of your monthly payment will, however, increase as the mortgage term and the amount of the loan reduces. Provided you keep up your monthly payments the loan will be repaid at the end of the agreed mortgage period.

### Interest-Only Mortgage

With an interest-only mortgage you make a monthly payment to us to cover the interest on the loan. Providing you keep up your monthly payments, the loan amount will remain the same and the interest is payable on the total amount of the loan for the whole of the mortgage period.

To repay an interest-only mortgage you will need to ensure you have a suitable repayment strategy to pay off the mortgage at the end of the agreed term.

During the application process, you will need to evidence a suitable repayment plan which is intended to repay the capital balance at the end of the mortgage term. We will make an assessment of the credibility of the repayment plan (e.g. endowment, ISA, pension, investment portfolio etc). We can advise during the application process of the information we will need to make this assessment.

## FREQUENTLY ASKED QUESTIONS

- If you want to use an existing plan to repay the mortgage at the end of the agreed term you will have to ensure that it is and remains adequate for the loan.
- It is important to remember that if you give up on this repayment plan before it ends you may not get back the full amount that you paid into the plan.
- The lump sum from these types of plans depends on the investment returns that are achieved with your money. You should bear in mind that it is this lump sum that will be used to repay your mortgage.
- It is important that you regularly check the value of your repayment plan to ensure that it is growing at a sufficient rate to enable you to repay your mortgage at the end of its term.
- We will remind you each year of the need to ensure that you have an adequate repayment strategy in place.
- Please remember that with most repayment plans the value can fall as well as rise and therefore future values cannot be guaranteed.



## Interest Rates

We will give you details of the different types of interest rates that are available (for example discount variable or fixed rates). Further details of the different types of interest rates available can be found in our 'Our Guide to Residential Mortgage Rates' leaflet.

The interest rate that will apply to your account at the beginning of the loan will be shown in your Offer of Loan. If the interest rate changes between the time that you receive your Offer of Loan and the time when your mortgage starts we will tell you.

On variable rate loans we may change the interest rate that we charge you from time to time. The interest rate may go up or down. If we change rate's we will always notify you of the new interest rate and the date it becomes effective.

## Overpayments

If, during the term of your loan, you make an additional lump sum payment of £500 or more over and above your normal monthly payment, we can calculate a reduced monthly payment for you. However, you must tell us when making the payment.

Whilst you can make overpayments to your mortgage account at any time it's important to note that there may be an early repayment charge unless these overpayments are within the yearly limit documented in the Offer of Loan.

Please note that your monthly payment will automatically be recalculated if you reach the yearly limit for overpayments or there is another change on your account which means we need to recalculate your monthly payment, for example a change in interest rate.

Please ask for details before repaying a lump sum.

# FREQUENTLY ASKED QUESTIONS

## Over what period can I have my mortgage?

Repayment periods can range up to forty years. If the term of your loan is likely to extend beyond your retirement date it is important to ensure that you will be able to continue to meet your regular monthly payments after you retire.

## What kind of property can I look for?

We're normally happy to arrange mortgages on:

- detached, semi-detached and terraced houses or bungalows, whether they are new or old
- certain types of flats and maisonettes
- properties which are partly used for business, for example, guest houses or shops with living accommodation above (we usually charge a higher rate of interest on this type of mortgage)
- some properties which are used wholly for business
- properties in poor condition, as long as you have acceptable plans for improvement.

If you want a mortgage on a newly-built property, it must have a National House Building Council Buildmark warranty or similar. Alternatively the building work must be a fully supervised by a qualified architect or surveyor acting on your behalf. For full details of our requirements please contact any Cumberland branch.

So as you can see, we are quite flexible about the kind of property we'll lend money on.

## I've found a property - how do I apply for a mortgage?

You should see us before you commit yourself to a property, to make sure you can afford it and get a mortgage.

We will tell you what the next steps will be although this will probably be to complete a mortgage application form.

Once we have provided advice and made a recommendation for you, you will be given a Mortgage Illustration containing details of the payments that you will be expected to make. We will also provide details of what your future potential payments may be at the end of the initial product period.

Details of any early repayment charges that may be charged are given in 'Our Guide to Residential Mortgage Rates' leaflets. Details are also shown in the Mortgage Illustration which will be sent to you as part of your Offer of Loan.

Once the mortgage application form has been completed, depending on where you live we may need to send a valuer to prepare a mortgage valuation report on the property to make sure we can lend what you want.

We will also have to check your income, and financial status.

# FREQUENTLY ASKED QUESTIONS

## What happens next?

You will need to instruct a conveyancer to handle the legal details (procedures for buying property in Scotland are different from the system in England and Wales so it is important to contact a conveyancer at an early stage for guidance).

While you're doing this, we check your application against our lending criteria and will obtain a valuation. Providing these are satisfactory, we will offer you the mortgage.

We will then send you written confirmation of the mortgage we can offer you. This is called the "Offer of Loan". We will also send a copy of the "Offer of Loan" and our instructions to your conveyancer.

## What about valuation and survey reports?

We'll need to obtain a valuation of the property to be mortgaged. Further details will be discussed during your appointment. If the mortgage you apply for requires the payment of a valuation fee, and you cancel the instruction before the valuation has been carried out, the Society will refund the fee. If the valuation has been undertaken or cannot be cancelled there will be no refund.

## Mortgage valuation

We arrange the mortgage valuation to help us decide whether a property is suitable for the mortgage you need. If you are buying a property and have paid a valuation fee with your application you will receive a copy of the valuation report. This report is not a survey and will not highlight every defect in the property. It only provides a valuation for mortgage purposes and may give a brief description of any obvious problems.



If a mortgage is agreed, it does not guarantee that the property has been inspected, that the purchase price is reasonable, that the property is worth the amount of the mortgage, or that there is nothing wrong with the property. The valuation is for the Society's benefit.

You will be asked to pay the fee for the mortgage valuation when you apply for a mortgage, unless the product you have chosen includes a free valuation. You should consider whether to arrange for a Homebuyer Report or a building Survey to be undertaken separately.

### Mortgage Valuation Fees

For the basic mortgage valuation report you pay one of the following fees (subject to change).

*Purchase Price (up to)	Total Valuation Fee Payable
£50,000	£205.00
£100,000	£240.00
£150,000	£260.00
£200,000	£295.00
£250,000	£330.00
£300,000	£370.00
£350,000	£410.00
£400,000	£440.00
£450,000	£470.00
£500,000	£505.00
Over £500,000	On application

# FREQUENTLY ASKED QUESTIONS

## Reinspection fees

If we need to make another visit in order to make sure a further instalment of a loan can be released and/or make sure that any repairs or improvements have been completed you must pay a reinspection fee.

This fee will be paid by the Society if the reinspection is required in connection with a further loan application.

## Revaluation fees

A revaluation fee is charged if we need to revalue a property. For example, to enable the Society to consider releasing a plot of land which forms part of the mortgage.

If a revaluation report is required in connection with a further loan application, the fee will be paid by the Society.

Details of our reinspection and revaluation fees can be found in our leaflet, "Tariff of Mortgage Charges".

## Can I transfer my mortgage to the Cumberland?

The answer is likely to be yes as long as you have a regular income and are able to show that you can meet the monthly payments and meet our lending criteria.\*

If you are transferring a mortgage on an existing property we will normally arrange the valuation and handle the legal work at no cost to you.

\*Excludes customers where borrowing amount is greater than £750k and all Buy to Let remortgage products. T&C's apply.

## **Insurance for your house and its contents**

As a condition of any mortgage you will need to ensure that the property is adequately insured (eg. Building Insurance), however, this does not have to be arranged through us. However, we do offer House and Contents Insurance schemes for our borrowers.

## **Insurance for sickness, accident and unemployment**

It's important to consider how you would maintain your mortgage payments in the event of your income reducing through an accident, sickness or involuntary unemployment and would encourage you to get independent advice on if this type of policy is appropriate for your individual circumstances.

## **Life Assurance**

It's also important to consider how your mortgage would be repaid if you die or become critically ill. One of our advisers can discuss your options for Life and Critical illness insurance.

We arrange life assurance and critical illness cover only with Legal & General Assurance Society Limited and general insurance only with Royal & Sun Alliance Insurance Ltd.

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

## **When will my monthly payment be due?**

Mortgage payments are due on the last day of each month.

# FREQUENTLY ASKED QUESTIONS

## How is interest calculated?

We calculate interest on a 'daily interest' basis and charge the interest to your account each month.

If you have a repayment mortgage, the way that interest is calculated makes a difference to the amount you pay. If you are offered two otherwise identical mortgages, with exactly the same interest rate, but one has annual interest calculations and the other has daily calculations, you will pay less with the daily interest calculations - as long as you do not fall behind with your payments.

Each time you make a payment we adjust the interest you will be charged to allow for the payment you have made. If you borrow extra, interest will be charged from the day the extra loan starts. Any items such as charges, fees, mortgage interest and insurance premiums, which are not paid by the last day of the month in which they are due, will result in additional interest being charged until the payment is made to your account.

## Do I get a statement of my account?

Yes, every April we send you a statement showing the interest and any other items which may have been added, the payments you have made and the amount you still have to pay.

## How do I make my monthly payment?

You can normally pay by:

- direct debit, or
- completing an "internal transfer" from a suitable Cumberland Current Account



## **What if I want to let the property?**

It's a condition of the mortgage that you do not let any part of your home without consulting us first, this may also affect your insurance cover. If you do need to let your property out you can make a request for consent to let your property, it's not guaranteed that we will say yes, however, your individual circumstances will be taken into account.

## **Can I repay the mortgage before the end of the agreed term?**

Details are shown in the Mortgage Illustration which will be given to you when you make your application and will be sent to you as part of your Offer of Loan.

## **What if I want to move home?**

We will give you an explanation of whether your mortgage terms can be continued if you move home.

We'll be pleased to guide you through the process, although it is basically the same again with the extra step of selling your existing property.

# FREQUENTLY ASKED QUESTIONS

## What if I have a complaint?

Most complaints can be satisfactorily resolved by speaking to one of our branch managers or customer service managers. If however, you are not satisfied with the response you receive, please ask for a copy of our leaflet “Complaints Procedure and the Financial Ombudsman Service” which is available from all Cumberland branches, or details can be found on our website.

We are covered by the Financial Ombudsman Service.

If you have complained to us and we have been unable to resolve your complaint, you may then be entitled to refer it to this independent body at:

The Financial Ombudsman Service, Exchange Tower, London, E14 9SR.

Telephone 0800 023 4567 or 0300 123 9123.

Or log onto their website at

[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

## Additional information



Any information given by the Society either in this leaflet or by any member of the Society's staff is given in good faith. However you should always ensure you take appropriate independent professional advice before proceeding with any mortgage or other loan.

## Money Helper Website

The Money Helper website is an easy way to get clear, free impartial help with your mortgage or finances.

There is a section looking at the financial side of home buying – whether you're a first-time buyer or not – including the different mortgage types, extra costs you need to factor in and help you might be able to get. And if you're struggling to pay your mortgage and need some help, or are looking to remortgage or release money for retirement, they have that covered too.

You can contact Money Helper on 0800 138 7777 or by visiting their website [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

### **This leaflet should be read in conjunction with the following leaflets:**

- Mortgages and Additional Loans Important Information
- Our Guide to Residential Mortgage Rates
- Tariff of Mortgage Charges

These leaflets are available from any Cumberland Branch, or details can be found on our website. A copy of the Society's full Mortgage Conditions is included in the offer document.

We arrange life assurance and critical illness cover only with Legal & General Assurance Society Limited and general insurance only with Uinsure Limited.

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**KINDER BANKING.**

*It's in our*

**NATURE.**

The Cumberland 

*We're here to help*

Call **01228 403141**

Email **customerservice@cumberland.co.uk**

Visit **cumberland.co.uk**

Cumberland House,  
Cooper Way, Parkhouse,  
Carlisle, CA3 0JF

**YOUR MORTGAGE IS SECURED ON YOUR HOME.  
THINK CAREFULLY BEFORE SECURING OTHER  
DEBTS AGAINST YOUR HOME. YOUR HOME MAY BE  
REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS  
ON YOUR MORTGAGE.**