



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

AS WITH ALL INSURANCE POLICIES, CONDITIONS AND
EXCLUSIONS WILL APPLY

GLOSSARY OF MORTGAGE AND PROTECTION TERMS

TERM	MEANING
AGREEMENT IN PRINCIPLE	ALSO KNOWN AS A DECISION IN PRINCIPLE OR MORTGAGE IN PRINCIPLE, THIS IS A DOCUMENT YOU CAN USE WITH AN ESTATE AGENT THAT TELLS YOU WHAT A LENDER IS LIKELY TO LEND YOU AS A MORTGAGE
BUILDINGS AND CONTENTS	THIS IS A TYPE OF INSURANCE THAT COVERS THE BUILDING (AND YOUR CONTENTS IF YOU CHOOSE) AGAINST THEFT, FIRE, STORMS & DAMAGE
BUY TO LET	A PROPERTY THAT HAS BEEN BOUGHT AND RENTED OUT
COMPLETION	THIS IS WHEN A PURCHASE (AND A SALE) IS COMPLETE AND THE MONEY HAS GONE TO THE CORRECT PARTIES. KEYS CAN BE COLLECTED
CONVEYANCING	THIS IS THE LEGAL PROCESS OF BUYING AND SELLING A PROPERTY AND CAN BE DONE BY A SOLICITOR



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TERM	MEANING
CRITICAL ILLNESS COVER	THIS IS A TYPE OF INSURANCE THAT PAYS OUT A LUMP SUM IN THE EVENT YOU ARE DIAGNOSED WITH A SPECIFIC, SERIOUS ILLNESS
DECISION IN PRINCIPLE	THIS IS THE SAME AS THE AGREEMENT IN PRINCIPLE
DEBT CONSOLIDATION	THIS IS WHERE DEBTS ARE INCLUDED IN YOUR MORTGAGE AND SECURED AGAINST THE HOUSE
DEEDS	TITLE DEEDS ARE LEGAL DOCUMENTS WHICH RECORD THE OWNERSHIP OF PROPERTY
DEPOSIT	THIS IS THE AMOUNT OF MONEY BEING CONTRIBUTED TO THE PURCHASE OF A PROPERTY



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TERM	MEANING
EARLY REPAYMENT CHARGE	SOME MORTGAGES WILL CHARGE YOU A PERCENTAGE FEE IF YOU REPAY SOME OR ALL OF THE LOAN BEFORE THE END OF THE PRODUCT TERM. DETAILS WILL BE IN YOUR ILLUSTRATION
EQUITY	THIS IS THE DIFFERENCE BETWEEN THE CURRENT VALUE OF YOUR HOME AND THE AMOUNT OUTSTANDING ON YOUR MORTGAGE
EXCHANGE OF CONTRACTS	WHEN CONTRACTS ARE EXCHANGED, THE PURCHASE (AND SALE) BECOME LEGALLY BINDING
FIXED RATE MORTGAGE	A MORTGAGE WHERE THE INTEREST RATE STAYS THE SAME FOR A SPECIFIC PERIOD OF TIME
FREEHOLD	YOU OWN THE PROPERTY AND THE LAND IT STANDS ON



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TERM	MEANING
FURTHER ADVANCE	THIS IS WHERE YOUR EXISTING MORTGAGE LENDER WILL LEND YOU ADDITIONAL MONEY DURING YOUR CURRENT TERM
GAZUMPING	THIS IS WHEN AN OFFER HAS BEEN ACCEPTED BUT LATER ACCEPTS A HIGHER OFFER
GAZUNDERING	THIS IS WHERE, NORMALLY AT THE LAST MINUTE, A BUYER REDUCES THEIR OFFER AFTER HAVING OFFERED HIGHER AT THE BEGINNING
INCOME PROTECTION	THIS IS AN INSURANCE THAT WILL PAY OUT A MONTHLY INCOME IN THE EVENT YOU ARE SIGNED OFF WORK BY A DOCTOR FOLLOWING ILLNESS OR INJURY
INTEREST ONLY	THIS IS A TYPE OF MORTGAGE WHERE YOU ONLY PAY BACK THE INTEREST OWED MONTHLY AND NONE OF THE ORIGINAL DEBT



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TERM	MEANING
INTEREST RATE	THIS IS THE RATE OF INTEREST THAT YOU PAY AGAINST YOUR MORTGAGE BORROWING AND IS DEPENDENT ON YOUR DEPOSIT AND THE PROPERTY VALUE
JBSP	JOINT BORROWER SOLE PROPRIETOR IS A MORTGAGE SCHEME WHERE YOU HAVE SOMEONE OWNING THE HOUSE AND SOMEONE ON THE MORTGAGE WITH THEM WHO IS NOT ON THE DEEDS, OFTEN FAMILY AND FOR AFFORDABILITY PURPOSES
LEASEHOLD	YOU OWN THE PROPERTY BUT NOT THE LAND, NORMALLY FOR A SET NUMBER OF YEARS. NORMALLY THIS WILL BE A FLAT.
LIFE INSURANCE	THIS WILL PAY OUT A LUMP SUM IN THE EVENT OF DEATH
LOAN TO VALUE	THIS IS THE SIZE OF THE MORTGAGE AGAINST THE VALUE OF THE HOUSE. THE LOWER THE LOAN TO VALUE, THE MORE EQUITY YOU HAVE AND MORE FAVOURABLE RATES ARE AVAILABLE



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TERM	MEANING
MORTGAGE	THIS IS A LONG TERM LOAN SECURED AGAINST A PROPERTY THAT ALLOWS YOU TO BUY SAID PROPERTY
MORTGAGE APPLICATION	THIS IS WHEN YOUR INFORMATION AND DOCUMENTS ARE SUBMITTED TO THE MORTGAGE LENDER READY FOR UNDERWRITING
MORTGAGE ILLUSTRATION	THIS WILL BE GIVEN TO YOU BEFORE THE MORTGAGE APPLICATION. IT DESCRIBES THE KEY THINGS YOU NEED TO KNOW ABOUT THE MORTGAGE SUCH AS REPAYMENTS & FEES
MORTGAGE LENDER	THE BANK OR LENDER THAT IS PROVIDING YOU WITH THE MORTGAGE FINANCE
MORTGAGE TERM	THIS IS THE NUMBER OF YEARS THAT YOU ARE REPAYING THE MORTGAGE OVER AND THIS WILL DICTATE YOUR MONTHLY PAYMENTS ALONG WITH THE INTEREST RATE



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TERM	MEANING
OVERPAYMENT	THE MORTGAGE SELECTED MAY GIVE YOU THE OPTION TO OVERPAY WHICH WILL GO TOWARDS YOUR MORTGAGE BALANCE AND PAY THE LOAN OFF SOONER. DETAILS WILL BE IN THE ILLUSTRATION
PORTING	YOUR EXISTING LENDER MAY ALLOW YOU TO TAKE YOUR MORTGAGE PRODUCT TO A NEW PROPERTY IF YOU WOULD LIKE TO MOVE HOUSE
PRODUCT SWITCH	THIS IS THE PROCESS OF CHANGING YOUR RATE WITH YOUR CURRENT MORTGAGE LENDER WHEN YOUR PRODUCT ENDS
REMORTGAGE	THIS IS THE PROCESS OF TRANSFERRING YOUR MORTGAGE FROM ONE MORTGAGE LENDER TO ANOTHER
RIGHT TO BUY	THIS IS A BUYING SCHEME ALLOWING ELIGIBLE TENANTS THE OPPORTUNITY TO BUY THE PROPERTY THEY ARE RENTING, NORMALLY AT A DISCOUNT



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TERM	MEANING
SHARED OWNERSHIP	THIS IS A PART BUY / PART RENT SCHEME WHERE YOU BUY A PERCENTAGE OF A PROPERTY AND THEN PAY RENT ON THE OTHER ELEMENT YOU DON'T OWN. THIS CAN ALLOW YOU TO BUY SOMETHING YOU MAY NOT HAVE OTHERWISE AFFORDED
STAMP DUTY	THIS IS A TAX YOU PAY WHEN YOU BUY A PROPERTY. WALES AND SCOTLAND HAVE A DIFFERENT TAX AND YOUR BUYING STATUS CAN AFFECT WHAT YOU PAY
STANDARD VARIABLE RATE	THIS IS THE DEFAULT INTEREST RATE THAT THE MORTGAGE LENDER WOULD CHARGE YOU AFTER YOUR CURRENT INTEREST RATE ENDS
SURVEYS	A SURVEY IS AN INDEPENDENT INSPECTION OF THE PROPERTY. THERE ARE DIFFERENT LEVELS AVAILABLE AND THE SUITABILITY OF EACH WILL DEPEND ON THE SIZE, AGE AND PROPERTY CONSTRUCTION
TRACKER MORTGAGE	A TRACKER RATE IS A FORM OF VARIABLE RATE THAT WILL NORMALLY FOLLOW THE MOVEMENT OF THE BANK OF ENGLAND BASE RATE



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TERM	MEANING
TRUSTS	A TRUST IS A LEGAL ARRANGEMENT WHERE THE PROCEEDS OF LIFE INSURANCE GO IN TO A TRUST TO ENSURE THEY GO TO THE CORRECT RECIPIENTS IN THE EVENT OF DEATH AND FALLS OUTSIDE YOUR ESTATE FOR TAX PURPOSES
UNDERWRITING	WHEN A MORTGAGE APPLICATION IS SUBMITTED TO THE MORTGAGE LENDER, YOUR DETAILS WILL BE REVIEWED TO ENSURE YOU MEET THEIR CRITERIA AND THAT THEY ARE COMOFORTABLE TO LEND BASED ON THIS AND YOUR DOCUMENTS
VALUATION	THE MORTGAGE LENDER WILL CARRY OUT THEIR OWN VALUATION OF THE PROPERTY TO ENSURE THE PROPERTY IS WORTH THE VALUE STATED



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