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## Welcome Pack

### Equity Release Mortgages

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# Meet your Team

## Mark Davis – Mortgage and Protection Specialist

Having started in high street banks in the late 1980's, Mark worked primarily in lending teams and progressed through to underwriting mortgages for a top 5 UK bank.

More recently, he has worked in the independent sector, initially as a mortgage adviser for an independent firm of estate agents and since 2005 as an Independent Mortgage and Protection Adviser.

Many of his clients are long standing and he is now happy to be looking after their children's needs as they buy their own homes and start their own families.

Most important in looking after his clients is honesty and integrity in all our dealings, something Mark ensures is there from the start of any new relationship.

When not at work Mark is a musician and has played all styles from orchestras to rock / pop bands and even jazz bands (unfortunately not as much as he used to).

Mark lives in Somerset with his wife and spends his spare time enjoying a good read, watching good films or TV and destressing with a jigsaw puzzle.



## Salli Bryan – Case Manager

Salli Bryan is Mark's Case Manager at XL Financial and joined us in May 2019. Salli has 30 years' experience in administration, working in various roles within the pensions industry, private sector and education.



Bringing her friendly and efficient customer focussed approach, Salli supports Mark on a part time basis managing the needs of his many clients.

Our relationship with our clients is at the heart of all we do. They need to know that, throughout their mortgage and protection planning journey, they will be fully informed and supported.

To ensure this, Salli's role is to liaise with all parties involved in this journey, from their initial contact to completion of a mortgage or protection application, ensuring that each case progresses smoothly to its conclusion.

Salli moved from Kent to Somerset in 2002 and, when not at work she spends time with her family enjoying the countryside walking her dog or cycling. She loves to read and watch a good TV drama or Harry Potter film (something that she and Mark have in common!)

Contact:	Mark Davis	Salli Bryan
Email:	<a href="mailto:Mark.davis@xlfinancial.co.uk">Mark.davis@xlfinancial.co.uk</a>	<a href="mailto:Salli.bryan@xlfinancial.co.uk">Salli.bryan@xlfinancial.co.uk</a>
Telephone:	0330 113 7646 option 1	0330 113 7646 option 2

## **Equity Release Initial disclosure document for:**

XL Financial Services Limited  
Field Barn  
Higher Road  
Chedzoy  
Somerset  
TA7 8QQ



Telephone number: 0330 113 7646

Email address: enquiries@xlfinancial.co.uk

**We are a Mortgage and Insurance Intermediary that is acting on your behalf when delivering our services to you.**

**You should use the information provided within this document to decide if our services are right for you.**

### **Whose equity release products do we offer?**

We offer a comprehensive range of equity release products from across the market but not deals that you can only obtain by going direct to a mortgage lender / reversion provider.

### **Whose protection products do we offer?**

We offer products based on a fair and personal analysis for all types of non investment insurance contracts.

### **Which service do we offer?**

#### Equity Release Mortgages

We offer an 'advised' sales service

This means we will provide advice and make a recommendation for you after we have assessed your specific needs and circumstances.

#### Insurance

We will advise and make a personal recommendation for you after we have assessed your needs and circumstances.

### **Capturing Your Needs**

We are committed to providing you with a service that meets with your individual needs. To enable us to achieve this objective it is important that you are open and frank with us and provide us with all the necessary information that we will need to deliver a service that reflects your needs.

This will enable us to identify if any products we offer meet with your personal circumstances.

It will also help us to identify any specific needs regarding the methods by which we deliver our services to you. For example, if you need information in large font due to sight difficulties, we can provide you with that.

Further information on how we collect and use your personal data is set out in the separate Data Privacy Notice that we have issued to you.

## **What you will have to pay us for this service?**

### Mortgage Advice

A fee of £495 is payable on receipt of an offer letter for a mortgage.

We will tell you how much the total fee will be in good time before you apply for an equity release product, but you may ask for this information earlier.

You will receive a key facts illustration when considering a particular equity release product, which will tell you about any fees relating to that mortgage.

You also have the right to request an illustration for any equity release product we offer.

### Protection Advice

We arrange the policy with the insurer on your behalf. You do not pay us a fee for doing this. We receive commission from the insurer which is a percentage of the premium you pay to the insurer.

### Refund of fees

No refund of the total fee paid will be made if you decide not to proceed with your application, once your mortgage application has been submitted and offered.

## **Who regulates us?**

We are authorised and regulated by the Financial Conduct Authority (FCA). Our Financial Services Register number is 487823.

Our permitted business is:

- ✓ Advising on regulated mortgage contracts including lifetime and home reversion plans;
- ✓ Arranging (bringing about) regulated mortgage contracts including lifetime and home reversion plans
- ✓ Making arrangements with a view to regulated mortgage contracts including lifetime and home reversion plans
- ✓ Advising and Arranging on Non-Investment Insurance plans.

You can check this on the Financial Services Register by visiting the FCA's website <https://www.fca.org.uk/register> or by contacting the FCA on 0800 111 6768 (Freephone) from 8am and 6pm, Monday to Friday (except public holidays) and 9am to 1pm, Saturdays.

## **What to do if you have a complaint**

If you wish to register a complaint, please contact us:

.....in writing to The Compliance Director , XL Financial Services Limited, Field Barn, Higher Road, Chedzoy, Somerset, TA7 8QQ

Email address: [compliance@xlfinancial.co.uk](mailto:compliance@xlfinancial.co.uk)

.....by phone - 0330 113 7646

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service.

## **Are we covered by the Financial Services Compensation Scheme (FSCS)?**

We are covered by the FSCS. You may be entitled to compensation from the scheme if we cannot meet our obligations. This will depend on the type of business and the circumstances of the claim.

### **Mortgages**

Equity release advising and arranging is covered up to a maximum limit of £85,000.

### **Insurance**

#### Long Term Insurance Benefits (e.g. life assurance)

The maximum level of compensation for claims against firms declared in default is 100% of the claim with no upper limit.

#### General Insurance

General insurance advice and arranging is covered for 90% of the claim with no upper limit.

Protection is at 100% where claims arise in respect of compulsory insurance (e.g. employer's liability insurance), professional indemnity insurance and certain claims for injury, sickness or infirmity of the policyholder.

Protection is at 90% where claims arise under other types of policy with no upper limit.

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

# Terms of Business for XL Financial Services Limited

## How we act for you

We can act for you if you live in the United Kingdom. There may be restrictions on how we can advise you if any of the following apply:

- You don't live in the UK
- You are currently staying in the UK, but normally live abroad
- You are currently staying in the UK and plan to move abroad or return to another country

Please ask us for details if you think this may apply to you.

## Allowable Inducements

We may receive reasonable non-monetary benefits from lenders. We will not accept benefits that are unreasonable.

## Client money

**We do not handle clients' money.** We never accept cheques made payable to us or handle cash (unless it is payment in settlement of our fees and disbursements for which we have sent you an invoice). If you do send us money, this may delay your transaction as we may have to return it to you.

## Conflicts of Interest

Occasions may arise where the firm, an employee, or other associates of the firm has competing professional or personal interests which may prevent these services being provided to clients in an independent or impartial manner.

We will take all appropriate steps to prevent conflicts of interests from occurring in line with the firm's conflicts of interest policy. However, there may be occasions where a conflict of interest cannot be prevented. Where this is the case, we will disclose to you the nature of the conflict and the steps that we will take to mitigate the risks that you will be treated unfairly as a result of any conflicts identified.

We will make you aware of any conflicts of interest before the provision of services to enable you to choose whether you still wish to proceed with services. A copy of the firms' conflict of interest policy is available on request.

We may on occasion receive minor non-monetary benefits from third parties such as product providers e.g. food and drink provided at a provider training event. Where relevant, any minor non-monetary benefits received will not conflict with our duty to act in your best interests.

## Communications

We will communicate with you by means convenient to you and us. Our usual methods are face-to-face meetings, telephone and e-mail amongst others.

If you ask us to do something for you, we will confirm this to you in writing to ensure that we have understood your instructions correctly. If we give you advice, we will usually confirm it to you in writing.

## **Means of Communication**

We will provide information to you by whatever means are convenient to you. This could be by paper, email or other means. All such information will be made free of charge to you and in English.

You may at any time choose to request information in paper and free of charge that has previously been provided to you by means other than paper. For example, where a communication was originally sent by email.

You may at any time choose to change your preferences as to how we communicate with you. However, where you choose to do this, we will require you to confirm this change in writing to us.

## **Provision of information by you**

We seek to ensure that any personal information we hold about you should remain accurate and up to date; as this could affect the advice we give you. Therefore, please let us know if there are any significant changes to your personal details, when they occur.

If we ask you to fill out any forms or documents, you must do this promptly, accurately and honestly. You may be committing a criminal offence by completing a form with information that is not accurate or truthful.

We will not be liable to you if you suffer financially because you have not completed a form or document truthfully or accurately. As and when requested, you must provide instructions to us in a timely and clear manner.

When we first meet, we will discuss the services we offer.

## **Termination of Authority**

You or we may terminate our authority to act on your behalf in the provision of Home Finance or Protection business at any time and this Terms of Business, without penalty.

Notice of this termination must be given in writing and will take effect from the date of receipt.

Any mortgage or protection transactions that we are arranging will be completed in accordance with this Terms of Business unless you and we agree otherwise in writing. You will be liable to pay for any transactions made and / or services that are underway, carried out prior to termination and any fees and disbursements that are outstanding.

## **Applicable Law and Jurisdiction**

These Terms of Business will be interpreted and construed in accordance with English law and is subject to the exclusive jurisdiction of the English courts, except if your address is in Scotland, when the courts of Scotland shall have non-exclusive jurisdiction.

## DATA PRIVACY NOTICE

We take your privacy very seriously and we ask that you read this privacy notice carefully as it contains important information on who we are, how and why we collect, store, use and share personal data, your rights in relation to your personal data and on how to contact us and supervisory authorities in the event you have a complaint.

*Italicised* words in this privacy notice have the meaning set out in the Glossary of Terms at the end of this document.

### Who we are

XL Financial Services Limited collects uses and is responsible for certain personal data about you. When we do so we are required to comply with *data protection regulation* and we are responsible as a *data controller* of that personal data for the purposes of those laws.

When we mention "XL Financial", "XL Financial Services", "we", "us" or "our" we are referring to XL Financial Services Limited.

XL Financial Services Limited is a company registered in England and Wales (6382271) and whose registered office is Field Barn, Higher Road, Chedzoy, Somerset, TA7 8QQ.

XL Financial Services Limited is authorised and regulated by the Financial Conduct Authority. XL Financial Services Limited Financial Services Register number is 487823.

We provide you with advice on mortgage and protection products that are suitable for your needs.

### The personal data we collect and use

In the course of providing our service to you we may collect the following personal data when you provide it to us:

- contact information
- identity information
- financial information
- employment status
- lifestyle information
- health information
- data about criminal convictions or offences
- details of any *vulnerability*
- details of your dependents and/or beneficiaries under a policy  
(If you are providing information about another person we expect you to ensure that they know you are doing so and are content with their information being provided to us. You might find it helpful to show them this privacy notice and if they have any concerns please contact us in one of the ways described below.)
- *product* details

### Information collected from other sources

We also obtain personal data from other sources in the course of providing our *intermediary* services. Where we obtain this information from another party it is their responsibility to make sure they explain that they will be sharing personal data with us and, where necessary, ask permission before sharing information with us.



The personal data we obtain from other sources may include the following:

From lenders and/or product providers:

- *product* details

From identification and verification checking agencies:

- *identity information*
- *sanction check information*

From publicly available information sources i.e. companies house, land registry

## How we use your personal data

The below table sets out:

- how we use your personal data
- the lawful bases upon which we collect and use your personal data
- who we routinely share your personal data with

Rationale/Reason for Processing	Lawful Basis for Processing	Third party recipients linked to that activity
to provide you with intermediary services	Performance of a contract	Bankhall Support Services
to apply for decisions in principle for mortgage products and/or quotations for protection and/or general insurance products on your behalf  to apply for products on your behalf	Performance of a contract	Lenders/product providers
to refer you to third party advisers to provide you with advice in relation to legal advice or surveying services.	Consent	Legal Advice – we use external comparison tools that compare legal firms on price and rating.  Surveying Services – SBVS
to retain records of any services or advice provided to you by us in order to defend potential legal claims or complaints	Legitimate interests	External supplier(s) of data storage and data hosting services to retain records on our behalf  Relevant regulators i.e. Financial Conduct Authority
to provide you with details of products and services from us and third parties that may be of interest to you in accordance with your preferences.  For more information see 'Marketing' below	<b>Consent</b>	

## Special category data

Certain types of personal data are considered more sensitive and so are subject to additional levels of protection under data protection legislation. These are known as 'special categories of data' and include data concerning your health, racial or ethnic origin, genetic data and sexual orientation. Data relating to criminal convictions or offences is also subject to additional levels of protection.

We may process:

- *health information* and *lifestyle information* when providing *intermediary services* in relation to a protection insurance product; and/or
- criminal conviction or offence information when providing *intermediary services* in relation to a general insurance product

In addition to the lawful basis for processing this information set out in the above table, we will be processing it either (i) for the purpose of advising on, arranging or administering an insurance contract or (ii) for the establishment, exercise or defence of legal claims.

In the course of our **activities relating to the prevention, detection and investigation of financial crime, we may process** criminal conviction or offence information. Where we do so, in addition to the lawful basis for processing this information set out in the above table, we will be processing it for the purpose of compliance with regulatory requirements relating to unlawful acts and dishonesty.

## Marketing

We may use personal data we hold about you to help us identify, tailor and provide you with details of products and services from us that may be of interest to you. We will only do so where we have obtained your consent and then have a legitimate business reason to do this and will do so in accordance with any marketing preferences you have provided to us.

In addition, where you provided your consent, we may provide you with details of products and services of third parties where they may be of interest to you.

You can opt out of receiving marketing at any time. If you wish to amend your marketing preferences please contact us:

By phone: 0330 113 7646

By email: [customerservices@xlfinancial.co.uk](mailto:customerservices@xlfinancial.co.uk)

By Post: Field Barn, Higher Road, Chedzoy, Somerset, TA7 8QQ

In addition, you can opt out of receiving marketing at any time by clicking the 'unsubscribe' link at the bottom of any email.

## Whether information has to be provided by you, and if so why

We will tell you if providing some personal data is optional, including if we ask for your consent to process it. In all other cases you must provide your personal data in order for us to provide you with intermediary services.

## How long your personal data will be kept

We will hold your personal data for differing periods of time depending upon the reason we have for processing it.

These retention periods are set out below.

Type of Record	Retention Period
Successful mortgage and protection applications	Indefinitely
Withdrawn, incomplete and failed mortgage / protection applications	10 years from the date of the last application
Enquiries that do not proceed to an application	6 years from date of last contact

### **Transfer of your information out of the EEA**

We will not transfer your personal data outside of the European Economic Area or to any organisation (or subordinate bodies) governed by public international law or which is set up under any agreement between two or more countries.

### **Your rights**

You have legal rights under *data protection regulation* in relation to your personal data. These are set out under the below headings:

- To access personal data
- To correct / erase personal data
- To restrict how we use personal data
- To object to how we use personal data
- To ask us to transfer personal data to another organisation
- To object to automated decisions
- To find out more about how we use personal data

We may ask you for proof of identity when making a request to exercise any of these rights. We do this to ensure we only disclose information or change your details where we know we are dealing with the right individual.

We will not ask for a fee, unless we think your request is unfounded, repetitive or excessive. Where a fee is necessary, we will inform you before proceeding with your request.

We aim to respond to all valid requests within one month. It may however take us longer if the request is particularly complicated or you have made several requests. We will always let you know if we think a response will take longer than one month. To speed up our response, we may ask you to provide more detail about what you want to receive or are concerned about.

We may not always be able to fully address your request, for example if it would impact the duty of confidentiality we owe to others, or if we are otherwise legally entitled to deal with the request in a different way.

#### ***To access personal data***

You can ask us to confirm whether or not we have and are using your personal data. You can also ask to get a copy of your personal data from us and for information on how we process it.

#### ***To rectify / erase personal data***

You can ask that we rectify any information about you which is incorrect. We will be happy to rectify such information but would need to verify the accuracy of the information first.

You can ask that we erase your personal data if you think we no longer need to use it for the purpose we collected it from you.

You can also ask that we erase your personal data if you have either withdrawn your consent to us using your information (if we originally asked for your consent to use your information), or exercised your right to object to further legitimate use of your information, or where we have used it unlawfully or where we are subject to a legal obligation to erase your personal data.

We may not always be able to comply with your request, for example where we need to keep using your personal data in order to comply with our legal obligation or where we need to use your personal data to establish, exercise or defend legal claims.

### ***To restrict our use of personal data***

You can ask that we restrict our use of your personal data in certain circumstances, for example

- where you think the information is inaccurate and we need to verify it;
- where our use of your personal data is not lawful but you do not want us to erase it;
- where the information is no longer required for the purposes for which it was collected but we need it to establish, exercise or defend legal claims; or
- where you have objected to our use of your personal data but we still need to verify if we have overriding grounds to use it.

We can continue to use your personal data following a request for restriction where we have your consent to use it; or we need to use it to establish, exercise or defend legal claims, or we need to use it to protect the rights of another individual or a company.

### ***To object to use of personal data***

You can object to any use of your personal data which we have justified on the basis of our legitimate interest, if you believe your fundamental rights and freedoms to data protection outweigh our legitimate interest in using the information. If you raise an objection, we may continue to use the personal data if we can demonstrate that we have compelling legitimate interests to use the information.

### ***To request a transfer of personal data***

You can ask us to provide your personal data to you in a structured, commonly used, machine-readable format, or you can ask to have it transferred directly to another *data controller* (e.g. another company).

You may only exercise this right where we use your personal data in order to perform a contract with you, or where we asked for your consent to use your personal data. This right does not apply to any personal data which we hold or process outside automated means.

### ***To contest decisions based on automatic decision making***

If we made a decision about you based solely by automated means (i.e. with no human intervention), and the decision made by us produces a legal effect concerning you, or significantly affects you, you may have the right to contest that decision, express your point of view and ask for a human review.

These rights do not apply where we are authorised by law to make such decisions and have adopted suitable safeguards in our decision making processes to protect your rights and freedoms.

## ***You can contact us for more information***

If you are not satisfied with the level of information provided in this privacy notice, you can ask us about what personal data we have about you, what we use your information for, who we disclose your information to, whether we transfer it abroad, how we protect it, how long we keep it for, what rights you have, how you can make a complaint, where we got your data from and whether we have carried out any automated decision making using your personal data.

If you would like to exercise any of the above rights, please:

- email or write to XL Financial Services Limited at [customerservices@xlfinancial.co.uk](mailto:customerservices@xlfinancial.co.uk) or Field Barn, Higher Road, Chedzoy, Somerset, TA7 8QQ;
- let us have enough information to identify you, e.g. name, address, date of birth;
- let us have proof of your identity and address (a copy of your driving licence or passport and a recent utility or credit card bill); and
- let us know the information to which your request relates.

## **Keeping your personal data secure**

We have appropriate security measures in place to prevent personal data from being accidentally lost, or used or accessed in an unauthorised way. We limit access to your personal data to those who have a genuine business need to know it. Those processing your information will do so only in an authorised manner and are subject to a duty of confidentiality.

We also have procedures in place to deal with any suspected data security breach. We will notify you and any applicable regulator of a suspected data security breach where we are legally required to do so.

## **Our supervisory authority**

If you are not happy with the way we are handling your information, you have a right to lodge a complaint with the Information Commissioners Office. It has enforcement powers and can investigate compliance with data protection regulation ([www.ico.org.uk](http://www.ico.org.uk)).

We ask that you please attempt to resolve any issues with us before the ICO.

## **How to contact us**

Please contact XL Financial Services Limited if you have any questions about this privacy notice or the information we hold about you.

If you wish to contact XL Financial Services Limited, please send an email to [customerservices@xlfinancial.co.uk](mailto:customerservices@xlfinancial.co.uk) or write to Field Barn, Higher Road, Chedzoy, Somerset, TA7 8QQ.

## Glossary of Terms – Data Privacy Notice

<b>contact information</b>	these are details that can be used to contact a person, including title, first name, surname, personal telephone number, fax, email address, home address, country, postcode or city of residence. This may also include work contact information such as work telephone number, fax, work email and work address
<b>data controller</b>	means a natural or legal person (such as a company) which determines the means and purposes of processing of personal data. For example, we are your data controller as we determine how we will collect personal data from you, the scope of data which will be collected, and the purposes for which it will be used in the course of us providing you with intermediary services
<b>data protection regulation</b>	applicable data privacy and protection laws
<b>employment status</b>	this is information about your work, if you are employed, self-employed, unemployed, a student or on job seeker allowance
<b>FCA</b>	the Financial Conduct Authority, being the independent watchdog that regulates financial services
<b>financial information</b>	this is information relating to your financial status, including salary/income, outgoings/expenditure, tax rate and P60
<b>health information</b>	this is information relating to your medical history, including symptoms, diagnoses, procedures and outcomes, as well as information about your height and weight. This could include previous and current or persistent medical conditions and family medical history
<b>identity information</b>	this is any information that can be used to distinguish a person or verify their identity, such as name, date of birth, place of birth, gender, marital status, national identity card/number, passport, drivers licence and national insurance number
<b>intermediary services</b>	these are the services we provide to you in relation to the products, which may include: Mortgages Protection Products General Insurance Products
<b>lenders</b>	a mortgage lender (for a list of current lenders which we work with, please contact us – see How to contact us above)
<b>lifestyle information</b>	this includes both work and leisure behaviour patterns. Most relevant to your <i>products</i> may be your smoker status, alcohol consumption, health, retirement age and exercise habits
<b>product</b>	this is a mortgage, protection and/or general insurance product in respect of which we provide intermediary services to you
<b>product provider</b>	a company which provides investment, pension, protection and/or general insurance products (for a list of product providers which we work with, please contact us – see How to contact us above)
<b>sanction check information</b>	this is information relating to your politically exposed persons (PEPs) status and Her Majesty's Treasury financial sanctions status, which is recorded to prevent fraud and money laundering
<b>vulnerability</b>	a vulnerable consumer is someone who, due to their personal circumstances, is especially susceptible to detriment, particularly when an advisory firm is not acting with appropriate levels of care. These customers are more likely to suffer severe detriment if something goes wrong. Details of vulnerability fall in to the following categories: health; resilience (financial); life events; and capability (financial knowledge/ confidence)

XL Financial Services Ltd act on your behalf, not for the provider, therefore we constantly review the whole market in order to select the most appropriate mortgage and non-investment insurance products to meet your individual circumstances, at the time of your application.

At XL Financial Services, we are committed to offering our customers the highest possible standards of service. In so doing we are pleased to support the Financial Conduct Authority initiative '**Treating Customers Fairly**'.

We recognise that both we and our customers have everything to gain if we look after your best interests and treat you fairly in all aspects of our dealings with you.

### **Our commitment to you**

Our Aim is to provide you with a professional service that will reduce your anxieties when looking at mortgage or protection products. We aim to design and develop strategies that will meet your financial needs.

We will:

- ✓ provide you with clear information about the products and services we offer, including fees, charges and explain your application progress each step of the way
- ✓ provide you with an explanation of the main mortgage repayment methods and the financial implications of taking out a mortgage or protection product
- ✓ ascertain your individual needs, preferences and circumstances before recommending a mortgage or protection product
- ✓ only recommend a mortgage or protection product that we consider suitable for you and that you can afford – and always the most suitable from the available options
- ✓ not recommend a mortgage if we can't find one we consider suitable
- ✓ encourage you to ask if there's something you don't understand
- ✓ give you access to a formal complaints procedure should you become unhappy with our service
- ✓ Act as the 'hub' of the house purchase wheel by ensuring that contact with the Lender, Estate Agent, Solicitor and **you**, occurs on a regular basis thus leaving you free to concentrate on the positive aspects of a house purchase

## How you can help us

To help us give you the most appropriate advice, we will ask you to:

- ✓ tell us as much as possible about your income and outgoings, to enable us to properly assess how much you can afford
- ✓ let us know about changes that might affect your ability to repay a mortgage
- ✓ let us know if there is any aspect of our service, or of a product we have discussed or recommended that you don't understand
- ✓ tell us if you think there are ways we can improve our service
- ✓ understand it is your responsibility to provide complete and accurate information to us when you take out an insurance policy or mortgage. It is important that you ensure all statements you make on proposal forms, claim forms and other documents are full and accurate
- ✓ remember that we may be required to verify your identity in accordance with the Proceeds of Crime Act 2002 and the Money Laundering Regulations and assist by providing the necessary evidence to prove your identity
- ✓ provide any documents we need for the lenders quickly to help the processing of your mortgage application

We are totally independent of any of our introducers and offer a whole of market proposition for mortgage and protection products. This means that we act for you, not for anybody else meaning you obtain the best products available, tailored to your specific needs.



## **Documents Needed**

In order to provide you with the best advice, we need certain documents to fully assess your current circumstances and future needs.

Initially these will be as follows:

IDENTIFICATION	Passport or driving licence
ADDRESS VERIFICATION	Utility bill, bank statement, credit card statement.  Documents must be dated within the last 3 months.  A driving licence is usually acceptable for address verification if not being used as identification.  Please note: mobile phone bills are not acceptable.
BANK STATEMENTS	Last 3 months bank statements showing receipt of income and regular outgoings – <i>please see notes below</i>
PROOF OF INCOME – Employed Applicants	Last 3 months payslips and latest P60
PROOF OF INCOME – Self Employed / Directors	Latest signed accounts or last 2 years SA302 documents which can be requested from your tax office.  Sometimes a lender will want an accountant's certificate.

In addition we may need the following additional documents, dependent on the selected lender:

PURCHASES ONLY	Proof of deposit, please see notes re bank statements
SELF EMPLOYED / DIRECTORS (over 25% share)	Latest 3 years Self Employed accounts and / or SA302's and Tax Overviews.
EXISTING MORTGAGE HOLDERS	Copy of latest mortgage statement together with proof of mortgage payments since the date of the statement (usually prove by bank statements).
BUY TO LET LANDLORDS	Copies of AST's and bank statements showing receipt of rental and mortgage payments.
All APPLICATIONS	Address verification for any other addresses held within the last 3 years.

### NOTES - Bank Statements

An internet bank statement is usually acceptable as long as it either looks like a "postal" one or the internet web address typically in the format [HTTPS://xxxxxx](https://xxxxxx) is showing on the top or bottom of the statement and the account holder's name is clearly visible. Please ensure that the statement covers the full month. They must clearly show your name, account number and sort code on them and in certain circumstances lenders may ask for them to be countersigned at one of your bank's branches. Please note that some lenders will not accept internet bank statements.

## Glossary of Mortgage Terms

*Italics denote a cross-referenced entry*

**Accident, Sickness and Unemployment Insurance (ASU):** In the event of an accident, sickness or involuntary unemployment befalling a borrower, this insurance will cover their mortgage repayments. Some Lenders attach mandatory insurance cover to their most attractive rates, although this is increasingly uncommon. Also known as: *Mortgage Payment Protection Insurance (MPPI)*.

**Additional Security Fee:** See *Higher Lending Charge*.

**Adverse Credit:** This is an umbrella term used of applicants with poor credit history. This may include mortgage arrears, defaults, County Court Judgements (CCJs), bankruptcy, Individual Voluntary Agreements (IVAs) and house repossession. Borrowers with elements of adverse credit are offered higher rates than standard *Full Status* applicants are, usually with terms and conditions relating to the extent of their adverse credit history. Often, adverse credit mortgages are *Libor-linked rates*.

**Annual Percentage Rate (APR):** The APR is a rate calculated using a generic formula applicable to all Lenders, which includes all the costs associated with a mortgage. This allows for easy comparisons to be made between the different mortgage products offered by each Lender.

**Arrangement fee:** This fee may be charged on specific products and is either payable in advance, added to the loan or deducted from the advance on *completion*. It covers the administrative expenses incurred whilst processing an application.

**Base Rate:** Every month the Monetary Policy Committee sets the Bank of England Base Rate, to which all mortgage rates are linked either directly, as *Tracker mortgages*, or indirectly, in all other cases.

**Booking fee:** This fee may be charged on specific products and is either payable in advance, added to the loan or deducted from the advance on *completion*. It is normally payable in order to reserve funds when a product is likely to sell out quickly.

**Buildings and Contents Insurance:** This insurance covers damage to the mortgaged property and/or its contents in a variety of specified scenarios. It is compulsory for all Lenders, and if the Lender's own insurance is not taken they will often charge an administration fee. Some Lenders attach mandatory insurance cover to their most attractive rates, although this is increasingly uncommon.

**Buy-to-Let mortgage (BTL):** This is a mortgage for property that will be let by the borrower to other tenants. When Lenders calculate how large a loan the borrower can afford to repay on BTL they do so primarily on the basis of projected rental income, rather than salary *income multiples*.

**Capital and Interest mortgages:** With this method the monthly mortgage repayments pay off both the initial loan amount and the interest that is charged upon it. At the end of the loan term the entire debt will be repaid. Also known as: *Repayment mortgage*.

**Capital Rest Period:** This is the regularity with which a Lender calculates the outstanding balance on mortgages, and hence the size of monthly repayments. It is usually annually, monthly or daily. With *Capital and Interest mortgages* this can be important; an annual interest calculation means that the borrower will pay interest on capital repayments that have been made in the course of that year. In contrast a daily or monthly interest calculation means that the balance, and consequently the interest charged, will reduce with every capital repayment made.

**Capped rate mortgage:** This is a mortgage that is guaranteed not to rise above a specific rate (the 'cap') within a set period. Unless this is combined with another rate, such as a *Discount* or *Tracker*, the Lender's *SVR* will be charged if it is lower than the capped rate; if it rises above this ceiling the rate charged will remain at the capped level. There are often *early repayment charges* applicable if the loan is repaid within the capped period.

**Cashback mortgage:** This is a mortgage in which the Lender refunds a sum of money, either as a percentage of the loan or a flat figure, to the borrower upon *completion*. With this type of offer the borrower will typically be tied to the Lender's *SVR* by *early repayment charges* necessitating repayment of the cashback if the loan is repaid within a set period.

**Completion:** This is the moment when a transfer of property has legally taken place, after all legal documentation has been completed and funds have been transferred from the buyer's solicitor to the seller's solicitor.

**Contents Insurance:** See *Buildings and Contents Insurance*.

**Conveyancing:** This is the legal process whereby ownership of a property is transferred.

**Current Account mortgage:** This is a fully *Flexible mortgage* combined with a current account. Money in the current account is automatically set against the mortgage balance and interest is only charged on the outstanding amount, meaning interest payments are reduced.

**Discounted rate mortgage:** This is a variable mortgage that is discounted from a Lender's *SVR* by a set percentage within a set period. There are often *early repayment charges* applicable if the loan is repaid within the discounted period.

**Discounted Tracker rate mortgage:** This is a variable mortgage that is discounted from the Bank of England's *Base Rate* by a set percentage within a set period. There are often *early repayment charges* applicable if the loan is repaid within the discounted period.

**Early Repayment Charge (ERC):** This is a penalty charged on traditional (i.e. non-*Flexible*) mortgages when the loan is repaid in full within a set period. Usually it applies on a *pro rata* basis when capital repayments are made outside of the agreed monthly payments. Many Early Repayment Charge periods are linked to those of offers, such as *Capped*, *Discounted* or *Fixed* rate periods. However, some mortgage rate have extended Early Repayment Charges which tie-in borrowers even while they are paying the Lender's *SVR*. Also known as: *Early Redemption Penalty (ERP)*; *Redemption Penalty*.

**Early Redemption Penalty (ERP):** See *Early Repayment Charge (ERC)*.

**Endowment:** A repayment vehicle associated with *Interest Only mortgages*.

**Exchange of Contracts:** This is the stage in England, Wales and Northern Ireland that the deposit money is paid and both parties are legally bound to fulfil the agreed conditions of sale and purchase.

**Exclusive mortgage:** This is a mortgage only available to intermediaries through a specific packager, in conjunction with a Lender who provides the funding.

**Fixed rate mortgage:** This is a mortgage that is charged at a fixed rate within a set period. There are often *early repayment charges* applicable if the loan is repaid within the fixed period.

**Flexible mortgage:** As its name suggests, this is a type of mortgage that offers considerably more flexibility than traditional mortgages. Although specific details vary between Lenders, the core features of Flexible mortgages are:

- daily or monthly *capital rest*
- ability to make *overpayments* at any point of the loan term without an *early repayment charge*

In addition, many Flexible mortgages allow borrowers to:

- defer payment by taking payment holidays
- drawback overpayments
- drawdown further advances
- underpay without penalty (often only to the amount of any previous *overpayments*)

**Freehold:** The buyer of a Freehold property owns both the property and the land it stands on indefinitely. See also *Leasehold*.

**Full Status:** This term describes borrowers with a good credit history who are not *self-certifying* their income.

**Gazumping:** This is when a prospective purchaser has an offer for a property accepted, before another potential buyer puts in a higher offer for the same property.

**Higher Lending Charge:** This is a premium charged by Lenders in order to indemnify themselves, and NOT the borrower, against any financial shortfall they may incur in the event of repossessing a property which must then be sold at a loss. It is applicable if the amount required is higher than a certain percentage of the property value, usually 75% *LTV*; often the Lender will pay the cost of this insurance themselves between 75% and 90% *LTV*. The charge may either be added to the loan or deducted from the advance on *completion*. Also known as: *Additional Security Fee*; *Indemnity*; *Mortgage Indemnity Guarantee (MIG)*.

**Homebuyers' Report:** See *Valuation Fee*.

**Income Multiples:** These are the multiples that Lenders apply to borrowers' income in order to determine the maximum loan they will offer them.

**Indemnity:** See *Higher Lending Charge*.

**Individual Savings Account (ISA):** A repayment vehicle associated with *Interest Only mortgages*.

**Interest Only mortgages:** With this method the initial loan amount remains the same throughout the term of the loan, while the monthly mortgage repayments only pay off the interest being charged on this amount. For this reason, Interest Only mortgages are tied to investment in one of a number of different repayment vehicles, which, ideally, should cover the initial loan amount at the end of the loan term. These repayment vehicles include *endowment* policies, personal *pensions*, *ISAs* etc.

**Introducer fee:** See *Procurator Fees*.

**Leasehold:** The buyer of a Leasehold property owns the property for a set number of years, but doesn't own the land on which it stands. See also *Freehold*.

**Let to Buy mortgage (LTB):** This is a mortgage where the borrower's current property is let to other tenants and the rental income is used to cover the mortgage repayments on a new property, bought as the borrower's main residence. When Lenders calculate how large a loan the borrower can afford to repay on LTB they do so primarily on the basis of projected rental income, rather than salary *income multiples*, whilst lenders can take other factors into account as well in calculating the amount they will lend.

**Libor-Linked mortgage:** This is a variable mortgage that is either above or below the London Inter-Bank Offered Rate by a set percentage within a set period. The Libor rate is set independently every 3 months. It is often associated with Lenders that offer loans to borrowers with elements of *adverse credit*.

**Life Policy:** See *Term Assurance*.

**Loan to Value (LTV):** This is a percentage figure of the loan amount in relation to the property value. For instance a £100,000 property bought with a mortgage of £70,000 has an LTV of 70%. The higher the LTV, the higher the interest rate charged will be; above certain LTVs a *Higher Lending Charge* comes into effect.

**Mortgage Indemnity Guarantee (MIG):** See *Higher Lending Charge*.

**Mortgage Payment Protection Insurance (MPPI):** See *Accident, Sickness and Unemployment Insurance (ASU)*.

**Non-Conforming:** See *Adverse Credit*.

**Offset mortgage:** This is a fully *Flexible mortgage* which allows a borrower to keep balances (such as mortgage debt, savings account and current account) in separate accounts, but, for the purposes of interest calculation, all balances are aggregated. Money in savings or current accounts is set against the mortgage balance and interest is only charged on the outstanding amount, meaning interest payments are reduced.

**Overpayment:** This is when an unscheduled capital repayment is made or when monthly payments are increased, in order that the mortgage is repaid before the end of the mortgage term, saving considerable sums in interest. Many traditional (i.e. non-*Flexible*) mortgages include *early repayment charges* if overpayments are made within a set period. In contrast, *Flexible mortgages* allow unlimited overpayments without penalty and, increasingly, mortgages are semi-*Flexible*, allowing borrowers to overpay a certain percentage of their loan each year without incurring *early repayment charges*.

**Pension:** A repayment vehicle associated with *Interest Only mortgages*.

**Personal Equity Plan (PEP):** A repayment vehicle associated with *Interest Only mortgages*.

**Portability:** A portable mortgage is one that can be transferred to another property without penalty if the borrower moves house within an *early repayment charge* period. The new interest rate that the Lender will be prepared to offer depends on whether the loan amount increases or decreases. If the latter, *early repayment charges* may apply.

**Procurator Fee:** This is commission paid by Lenders to intermediaries for introducing business to them. If the intermediary receives more than £250 they are obliged to disclose to the borrower the exact amount they received. Also known as: *Introducer Fee*.

**Redemption Penalty:** See *Early Repayment Charge (ERC)*.

**Repayment mortgage:** See *Capital and Interest mortgages*.

**Right to Buy (RTB):** This is when a tenant living in a council-owned property purchases it at a discount, the size of which depends on the length of their tenancy.

**Self Build:** This is a mortgage for property under construction. The loan is paid out in stages as the property is completed, in order to ensure the *LTV* does not rise too high at any point.

**Self Certification mortgage (S/C):** This is a mortgage where a borrower states their income and signs a confirmation of their ability to repay a loan, without having to provide evidence such as accounts, payslips or bank statements. Consequently, *S/C* rates are often higher than standard *Full Status* mortgages. These mortgages are no longer allowed to be sold in the United Kingdom.

**Shared Ownership:** This is a scheme operated by a Housing Association where the borrower owns part of a property, and pays the mortgage on this, while a Housing Association owns the rest of the property, and the borrower pays rent on this.

**Split Loan:** This is a mortgage that is taken partly on a *Capital and Interest* basis and partly on an *Interest Only* basis.

**Stamp Duty:** This is a government tax charged on the sale of properties. The tax is calculated as a percentage based on the value of the property above a threshold set in the Chancellor's annual budget. The tax rate is divided into bands with the percentage increasing with the value of the property. It is not payable on remortgages.

**Standard Variable Rate (SVR):** This is a variable rate determined entirely at each Lender's discretion. Unless linked to *Libor* or the Bank of England *Base Rate*, the SVR is the reverting rate at the end of any special offer period, such as a *Capped*, *Discounted* or *Fixed* rate.

**Term Assurance:** This insurance repays the mortgage in the event of the insured person's death. Also known as: *Life Policy*.

**Tracker mortgage:** This is a variable mortgage that is either above or below the Bank of England's *Base Rate* by a set percentage within a set period.

**Valuation Fee:** Whether purchasing or remortgaging the Lender undertakes a valuation of the property to ensure it provides adequate security. The charge is borne by the borrower and increases exponentially with the valuation/purchase price. There are 3 levels of valuation: in order of increasing detail these are Basic, *Homebuyers' Report*, and Structural survey. The more stringent the valuation, the higher the fee.