

MORTGAGES

Buy to Let 2 Year Fixed Rate Mortgage until 30 April 2020 Purchase/Re-mortgage

Mortgage Illustration

This product sheet does not contain all of the details you need to choose a mortgage. Please speak to your Mortgage Advisor who will provide you with a mortgage illustration, which will detail all the features of a particular mortgage. Please make sure you read the mortgage illustration before you make a decision on your choice of mortgage product.

Criteria:

- New customers for the purchase or re-mortgage of their non-portfolio investment property only.
- Applicant(s) must have a minimum combined income of £20,000 and must own their own residential property or receive sufficient income to support the loan based on standard income multiples (confirmation of income will be required).
- Applicants must be at least 21 years of age and be UK residents.
- Houses and flats (subject to lending policy criteria, please ask for further details) within England (including Isle of Wight) and Wales are an accepted type of security. For a list of unacceptable property types please speak to your mortgage advisor.
- Product Availability: This product may be withdrawn with little or no notice. To ensure funds are reserved it is essential that a Buy to Let mortgage application form is fully completed and submitted and that any application fee is paid.
- Purchase/Re-mortgage will not be acceptable unless the owner/vendor has been registered with the Land Registry for at least six months.
- Property Insurance: Prior to completion, the Society will need to be satisfied that the insurance cover meets its minimum requirements. Full details of minimum requirements are available on request.

Interest Rate:

2 YEAR FIXED RATE		
Initial Rate	Then changing to our Standard Variable Rate (SVR) currently	The overall cost for comparison is
2.31% Fixed until 30/04/2020	5.44% variable	5.1% Annual Percentage Rate (APR)*

* The actual rate available will depend upon your circumstances. Ask for a personalised illustration.

An early repayment charge is payable – please see ‘Fees/Charges’ section overleaf

It should be noted that if the property is empty, you are still required to make the full monthly mortgage repayments.

The loan is based solely on the rental income derived from the letting. Therefore the condition of the property must be satisfactory requiring no essential items of repair.

- Completion must take place on or before 30 April 2018. Please note that if your mortgage does not complete by the 30 April 2018, you will not benefit from the fixed rate period quoted.
- At the end of the fixed rate period the rate will revert to the Society’s SVR applicable at that time which will not fall below 3% at any time during the life of the mortgage.
- As interest is calculated on a daily basis, any overpayments you make will immediately reduce the amount you owe and also the amount of interest you pay.

Loan:

- Minimum loan £50,000.
- Maximum loan £1,000,000.
- Minimum Property Value £75,000.
- Maximum loan to value 75% (including any fees added to the loan). Loan to value is your total mortgage amount divided by the purchase price, whichever is the lower.

Your investment property may be repossessed if you do not keep up repayments on this mortgage

Fees/Charges:

- An application fee of £100 is payable upfront, which is non-refundable, for Product Transfers only this can be added to the mortgage loan, if required. You must positively elect to add the fee to the mortgage loan. Interest will be charged, at the applicable rate, on all fees added to the loan.
- A product fee of £895 is payable. This can either be paid upfront or be added to the loan, if required. You must positively elect to add the fee to the mortgage loan. Interest will be charged, at the applicable rate, on fees added to the loan.
- Free standard mortgage valuation for all purchase, remortgage or further borrowing applications. If a valuation is required in connection with a product transfer then a valuation fee will be payable (per scale).
- Early Repayment Charge: If the mortgage is repaid either in whole or in part, or is transferred to an alternative product, before 30 April 2020 then an early repayment charge will apply. This will be based on; 2% of the outstanding loan if the mortgage is repaid before 30 April 2019 or 1% of the outstanding loan if the mortgage is repaid before 30 April 2020. Capital repayments, which are not subject to the above early repayment charge, can be made of up to 10% of the original loan amount (original transfer amount if variation) in any 12 month period from the date of completion.
- A Mortgage Exit Fee is payable at the prevailing rate on full repayment (redemption) of your mortgage.

Additional Borrowing:

- If you qualify, additional funds may be made available under the Society's Additional Borrowing facility. An upfront additional borrowing fee of £200, (non-refundable) in respect of any additional borrowing. Further details are available on request.

Property Rental:

- The property must be let on an Assured Short-hold Tenancy Agreement for a maximum period of 12 months.
- Sale and Rent back agreements are not acceptable.
- Unacceptable tenancy lets are houses in multiple occupation (HMO's) and accommodation for (Department of Works & Pensions (DWP) and/or student tenants. Maximum portfolio – 15 (with or without mortgages) and a maximum of 4 Buy To Let properties and 1 residential property under mortgage with Leek United Building Society.
- Rental income must be at least 140% of mortgage interest calculated at an interest rate of 5.5% for a purchase or remortgage with additional borrowing.
- For a remortgage with no additional borrowing rental income must be at least 125% of mortgage interest calculated at an interest rate of 5.5%.

Deposit Protection Scheme

- If a deposit is to be paid by the tenant you must sign up to one of the 3 schemes listed below:-
 - Deposit Protection Service (DPS)
 - Tenancy Deposit Solutions Ltd (TDSL)
 - Tenancy Deposit Scheme (TDS)

Representative Example (based on the purchase of an investment property):

The Annual Percentage Rate of Interest (APR) varies with the circumstances of each mortgage. Here is a representative example of a loan secured on your investment property: A mortgage of £135,000 on a capital and interest (repayment) basis payable over 25 years initially on a fixed rate of 2.31% for 2 years and then on our Standard Variable Rate of 5.44% (variable) for the remaining 23 years you would pay:

1 monthly repayment of £8.54, followed by
24 monthly repayments of £591.70, followed by
276 monthly repayments of £802.88.

The total amount payable would be £236,939.22, made up of the loan amount of £135,000 plus interest (£100,804.22) with an application fee of £100, product fee of £895, funds transfer fee of £20 and legal fee of £120. The overall cost for comparison is 5.0% APR representative.

Please note: the example above is for an investment property purchase only and assumes a payment date of 1st of the month. If you choose to pay your mortgage later in the month this will affect payments and could result in a higher APR. For product transfers and re-arrangement applications, certain fees do not apply. Please speak to your mortgage adviser for further details.

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Portability

- This product is portable. If you move home, this mortgage product may be transferred to your new property (subject to terms and conditions. A portability fee is payable at the time of porting the mortgage at the prevailing rate) – please see following 'Fixed Rate Portability' page for details.

Caution: Before investing in the residential lettings market there are many costs and risks to be considered and appropriate professional advice should be obtained. The Society's provision of Buy to Let funding does not endorse the viability of any residential property investment.

This product sheet should be read in conjunction with our "Homebuyer's Guide" booklet, "Buy to Let Fixed Portability Sheet" and the "Statement of Practice – Borrowers" booklet.
For other charges, which may apply, see our "Tariff of Mortgage Charges" leaflet.

MORTGAGES

Buy to Let Fixed Rate Portability Leaflet

This product is subject to an early repayment charge if the loan is repaid in full or in part or is transferred to an alternative product up to and including the date stated in the product terms and conditions.

The mortgage product you have chosen is portable. This means you can retain the benefits of the product even if you change your investment property.

You can transfer the balance from your current Buy to Let mortgage account to a new Buy to Let mortgage account secured on your new investment property. The terms and conditions that applied to your Buy to Let mortgage product will continue until the end of the early repayment charge period. If you do not wish to transfer your Buy to Let mortgage product, an early repayment charge will be payable on the amount which is not transferred and you will then be in a position to choose an alternative product.

If your new Buy to Let mortgage does not start at the same time as the full repayment (redemption) of your current Buy to Let mortgage, an early repayment charge will be payable. If a new Buy to Let mortgage application is received for porting of this mortgage product within 3 months of the full repayment (redemption) of your current mortgage the early repayment charge will be refunded. If you take out a new Buy to Let mortgage at a later date, you will then be in a position to choose an alternative product. The early repayment charge previously paid will not be refunded.

If your new Buy to Let mortgage is less than your current Buy to Let mortgage, you can transfer the amount you need and an early repayment charge will be payable on the difference. If you increase your borrowing at a later date, you can choose an alternative mortgage product for the additional borrowing that you require (subject to product terms and conditions). The early repayment charge previously paid will not be refunded.

If your new Buy to Let mortgage is more than your current Buy to Let mortgage, you can transfer your Buy to Let mortgage product and choose an alternative mortgage product for the additional borrowing that you require (subject to product terms and conditions).

To transfer your current Buy to Let product the Society will charge a Portability Fee on the new application. This is a standard fee which can be found in our 'Tariff of Mortgage Charges' leaflet. However, if an additional product is chosen in respect of additional borrowing, the fees applicable to that product will apply.

You will need to complete a Buy to Let Mortgage Application Form and we will carry out our usual status enquiries and obtain a Valuation Report on the new property. We cannot guarantee to offer you a new Buy to Let mortgage if your personal circumstances have changed, the Society's lending criteria has altered or the property is deemed not to be suitable security. An early repayment charge will be payable if the Society is unable to transfer your mortgage.

Products are only available within England (including Isle of Wight) and Wales and borrowers must also be UK residents.



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BRANCHES AND AGENCIES THROUGHOUT STAFFORDSHIRE, CHESHIRE, SHROPSHIRE AND DERBYSHIRE

A member of the Building Societies Association

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

Date 15 January 2018

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