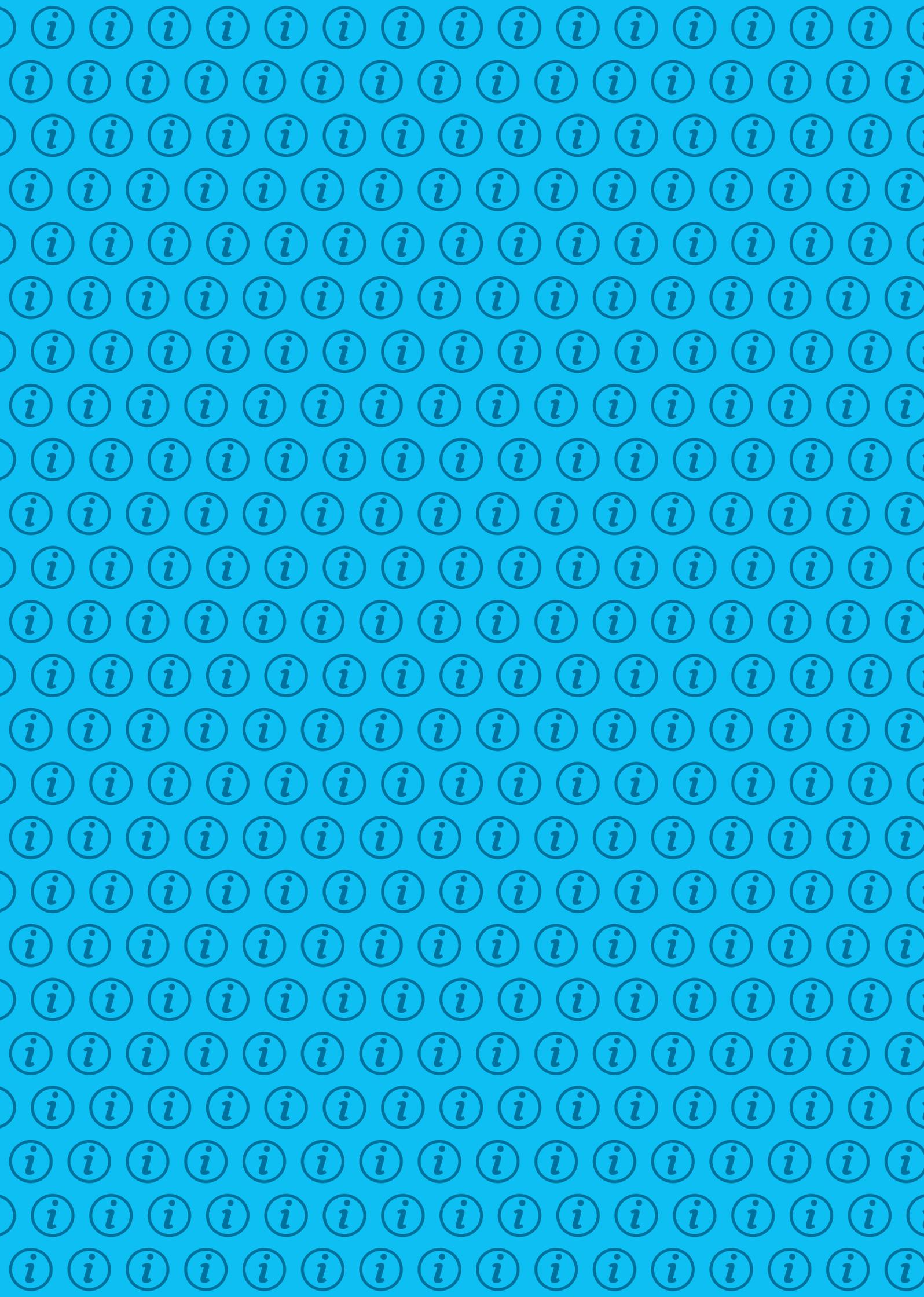


We can help with



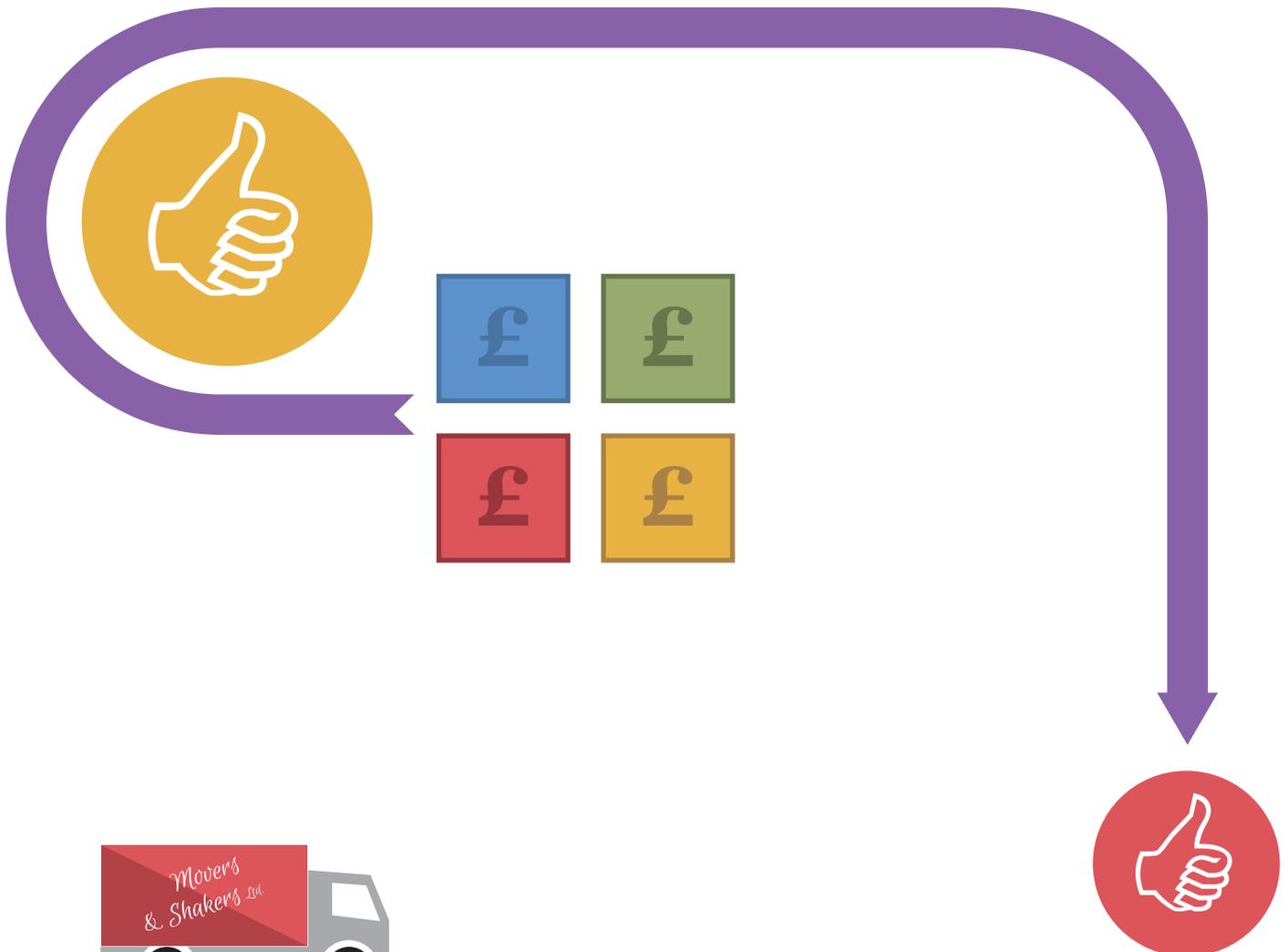
RE-MORTGAGING
AND FURTHER ADVANCES





Contents

- ◆ Introduction 2
- ◆ What we need you to provide 3
- ◆ You wish to go ahead 4
- ◆ What are the likely costs involved? 4
- ◆ How much can I borrow against the value of my home? 5



Introduction

When you originally bought your home you may have financed the purchase with the help of a mortgage. Your financial situation may have changed and as a result most people regularly review their finances with the help and support of a mortgage advisor or their mortgage provider

There are lots of mortgage deals available and we are aware that our customers want to take advantage of them. As we have a financial interest in your home it is important that we are aware of and agree to any changes to your lender or any increase in how much you are borrowing.

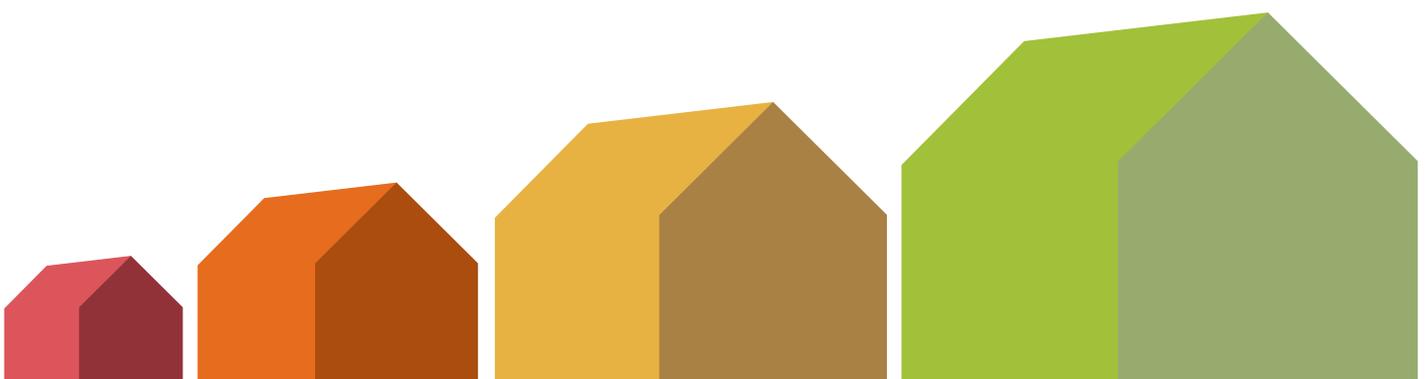
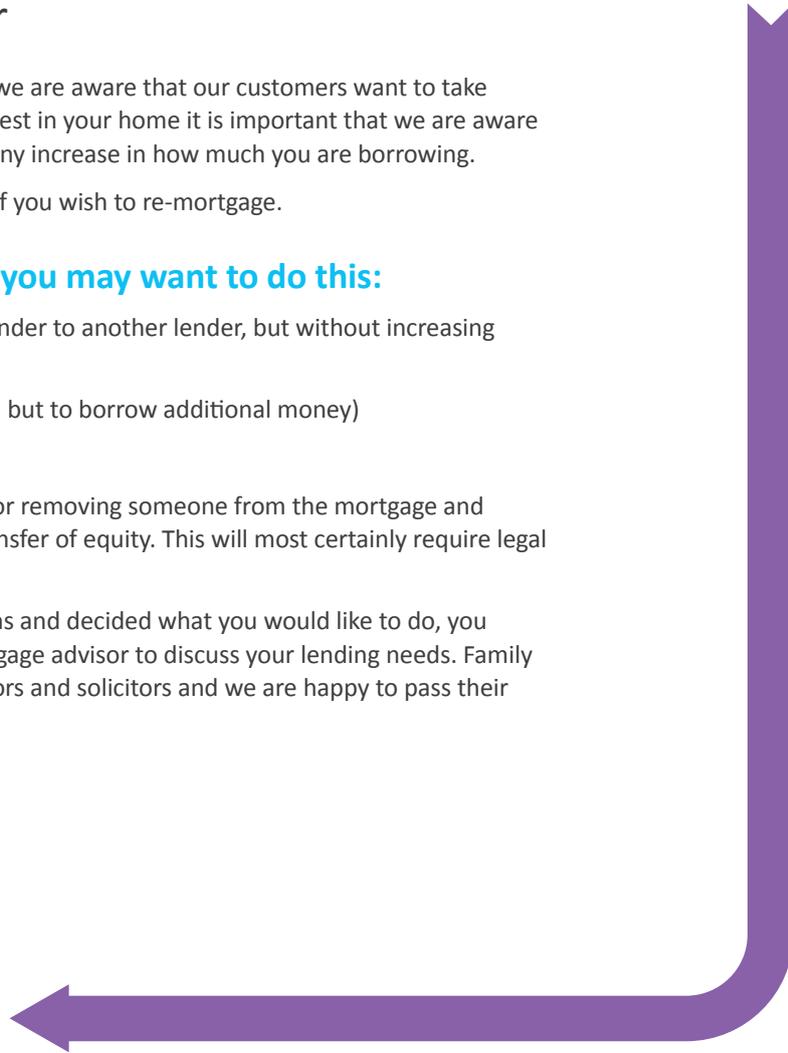
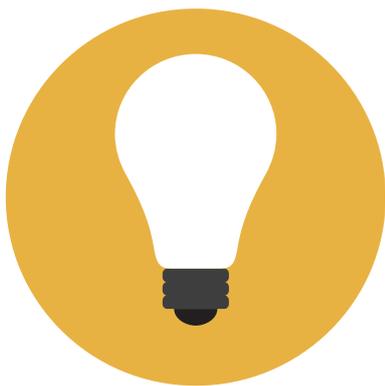
This leaflet outlines our policy and procedures if you wish to re-mortgage.

There are three possible reasons you may want to do this:

- ◆ Re-mortgage (to move from your existing lender to another lender, but without increasing your borrowing)
- ◆ Further advance (stay with the same lender, but to borrow additional money)
- ◆ Re-mortgage with a further advance

In some circumstances this can involve adding or removing someone from the mortgage and lease. This is known as a deed of transfer or transfer of equity. This will most certainly require legal advice.

Once you have carefully considered your options and decided what you would like to do, you should consult your mortgage lender or a mortgage advisor to discuss your lending needs. Family Mosaic work with a number of mortgage advisors and solicitors and we are happy to pass their details on to you if you need this help.



What we need you to provide

To approve a re-mortgage or further advance we will require you to provide us with the following:

- ◆ A copy of your mortgage offer from your proposed new lender
- ◆ Written confirmation of the current value of your home from your new lender (this can be either a copy of the lender's valuation report, or some lenders show this on the mortgage offer)
- ◆ Written confirmation from your existing lender of the outstanding balance (lenders sometimes refer to this as the redemption statement)
- ◆ A short written explanation from you advising us why you want to change lender (if applicable)
- ◆ A cheque to Family Mosaic for the administration work involved (please refer to our "Guide to Administration Charges", available to download from our website; www.familymosaicssales.co.uk)
- ◆ If you are taking a further advance with your existing lender or re-mortgaging and taking a further advance you will need to provide this additional information:
 - Written confirmation from you informing us why you want to increase your borrowing and, if the additional borrowing is for home improvements, please give details of the home improvements you plan to make, together with quotes, invoices or receipts for the work being carried out
 - Approval of the works planned from our Asset Management team. Please contact our Asset Management team for a Right to Improve form for completion. We have to ensure any home improvements meet with building regulations

Important:

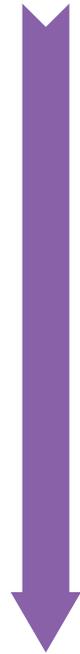
All home improvements must be approved by our Asset Management team prior to commencement of any works.

If you are a leaseholder who owns a share of the property, when you sell it you will need to provide copies of the quotes and invoices so that the valuer can consider if the work carried out has increased the value. Please be aware most purchasers will only pay the current market value of a property, which is the value of the property in its condition at the time of sale. Please note not all improvements will increase the value of your home.

If you are staying with the same lender and just changing interest rates, we don't normally need to approve this. If in doubt please contact us to discuss.

Equity loan leaseholders may only apply for further advances for home improvements. The scheme does not allow customers to consolidate their debts.

If you own a share in the property, you must not exceed the current Housing Options household income requirement if you add a person to the mortgage and property.



You wish to go ahead

The process is fairly straightforward. You should send us all the information we need to process your request. We are only able to process your application once we have received all these documents along with the relevant fees as detailed in our “Guide to Administration Charges”, available to download from our website www.familymosaicssales.co.uk.

We aim to give you a decision within five working days of receipt of all the information required to assess your request.

On Shared Ownership properties the lease has a mortgagee protection clause (MPC). Most lenders require this clause in order to lend on a Shared Ownership property as it allows the lender to recover certain losses from us if they ever have to repossess your home. We cannot extend the MPC to cover extra borrowing unless it is for staircasing, transferring equity (i.e. if a couple separate and one ‘buys out’ the other) or necessary improvements to the property. To cover this we will be asked to register a notice of charge for the lender and a notice of transfer if there is a change to the title.

If you are an Equity Loan customer who is changing lenders, we will have to arrange for a deed to be sealed which will delay our charge on the property in favour of your lender. This is a legal condition which we will arrange. Once we have approved your application, your lender will be able to deal with any other questions you have.

What are the likely costs involved?

The charges will vary according to the reasons for your re-mortgage and the notices that need to be registered against your property.

Administration fee

Payable for all re-mortgages and further advances.

Notice of charge

Payable if you are changing lender.

Notice of transfer

Payable if a person is added or removed from your mortgage / lease.

Your lender may charge fees for dealing with your mortgage application. You should contact them direct or via your mortgage advisor for details of their fees. You may have legal expenses in certain transactions.

In some circumstances, we may have concerns about a part of your application, and choose to contact our solicitors for their advice. We’ll let you know if we decide to do this and advise you of the potential cost which we will have to charge you for.



How much can I borrow against the value of my home?

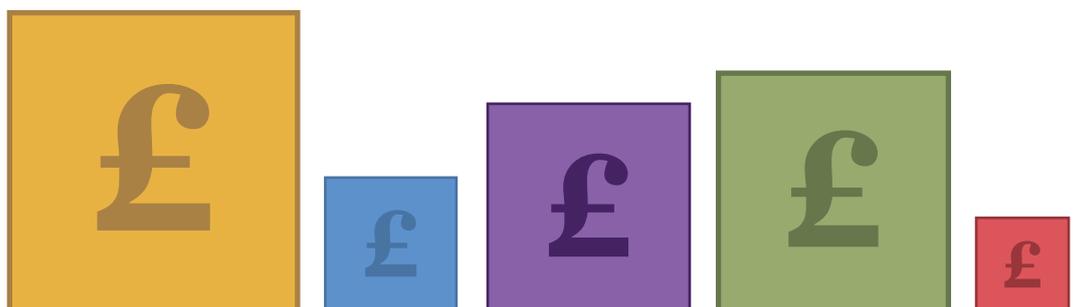
This depends on the type of tenure you have with us:

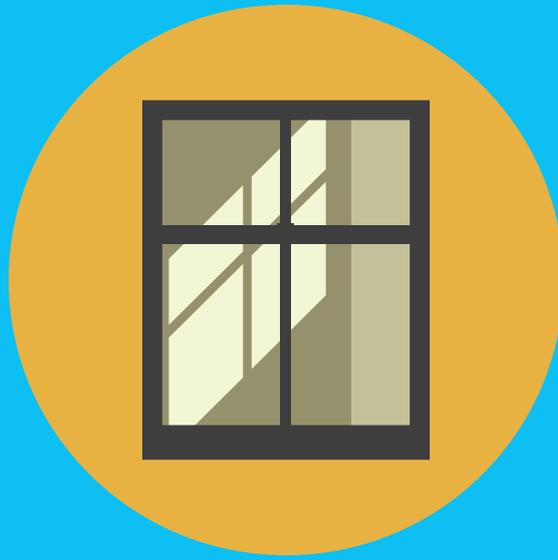
Shared Ownership – You can borrow up to 80% of the value of the share you own in your home.

I.e. If your home is valued at £100,000 and you own 50% (£50,000), you can borrow up to 80% of the £50,000 (in this case £40,000). This includes your existing mortgage and any other loans you may have secured against your home.

Equity loan – You can borrow up to 75% of the increase of the equity in your share of the property.

- ◆ Original property value: £100,000
- ◆ Customer's share: 75%
- ◆ Original value of customer's share: £75,000
- ◆ Current property value: £150,000
- ◆ Customer's share: 75%
- ◆ Current value of the customer's share: £112,500
- ◆ Current value of customer's share less original value of share:
 $£112,500 - £75,000 = (\text{Customer's increased share value } £37,500)$
- ◆ The most allowed to borrow would be: £28,125 ($£37,500 \times 75\%$)





For further information please contact:

Resident sales
0300 123 3456
resident.sales@familymosaic.co.uk

Family Mosaic
Albion House
20 Queen Elizabeth Street
London SE1 2RJ

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