

# MORTGAGES

## Holiday Let Mortgage Two Year Fixed Rate Existing Borrowers only

**Mortgage Illustration**

This product sheet does not contain all of the details you need to choose a mortgage. Please speak to your Mortgage Adviser 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:**

- Existing borrowers for product transfer, re-arrangement, additional borrowing applications and existing borrowers transferring their Holiday Let mortgage to a new Holiday Let property only.
- Applicant(s) must be at least 21 years of age and be UK residents.
- Applicant(s) must own their own residential property.
- 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.
- Not available for portfolio landlords. A maximum of three let properties will be allowed.
- Regulated applications are not permitted.
- Product Availability: This product may be withdrawn with little or no notice.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.
- Purchase/Remortgage 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.
- Further details regarding our lending criteria can be found on the Leek Building Society website.

**Interest Rate:**

<b>2 YEAR FIXED RATE</b>		
Initial Rate	Then changing to our Standard Variable Rate (SVR) currently	The overall cost for comparison is
5.70% fixed for two years	7.99% variable	<b>7.8%</b> <b>Annual Percentage Rate of Charge (APRC)*</b>

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

**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.**

- 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.

**The mortgage property (which could be your home) may be repossessed if you do not keep up repayments on your mortgage**



- At the end of the fixed rate period the rate will revert to the Society's standard variable rate applicable at that time which will not fall below 3.00% at any time during the life of the mortgage.

#### **Loan:**

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

#### **Fees/Charges:**

- Early Repayment Charge: If the mortgage is repaid either in whole or in part, or is transferred to an alternative product during the term of the product then an early repayment charge will apply. This charge will be based on; 2% of the outstanding loan if the mortgage is repaid in the first year of the product term and 1% of the outstanding loan if the mortgage is repaid during the second year of the product term. 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 product fee of £995 is payable.
- One free standard mortgage valuation for all purchase, remortgage or additional borrowing applications. If a valuation is required in connection with a product transfer, then a valuation fee will be payable (per scale). Please refer to the Tariff of Mortgage Charges leaflet for further details.
- 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 using the Society's Additional Borrowing facility. Further details are available on request.

#### **Property:**

- For a property to count as a holiday let for tax purposes rather than a buy to let, the property must be available for letting as fully furnished holiday accommodation for at least 210 days per year.
- Must be a standard residential furnished property that is suitable for owner occupation and has no title, local or occupancy restrictions. Relevant planning consents must be in place. Leasehold properties will only be considered where the lease explicitly permits short-term letting or holiday let activity.
- A holiday letting agent must be in place. The property must be rented under a Licence Agreement. Assured Short Tenancy's are excluded.
- Lending on holiday parks, complexes, B&Bs and AirBnB is not permitted.

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**Representative Example (based on a Holiday Let Property purchase):**

The Annual Percentage Rate of Charge (APRC) varies with the circumstances of each mortgage. Here is a representative example of a loan secured on your investment property: A mortgage of £250,000.00 on an interest only basis payable over 25 years initially on a fixed rate for 2 years fixed at 5.70% and then on our Standard Variable Rate (SVR) of 7.99% (variable) for the remaining 23 years you would pay:

1 monthly repayment of £39.04, followed by  
24 monthly repayments of £1,182.07, followed by  
276 monthly repayments of £1,653.93  
1 final payment of £250,000.00

The total amount payable would be £736,028.40 made up of the loan amount of £250,000.00 plus interest (£484,893.40), product fee of £995, a funds transfer fee of £20 and legal fee of £120. The overall cost for comparison is **7.8% APRC** representative.

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

**Portability:**

- This product is not portable.

**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 Rate Portability Leaflet" and the "Statement of Practice – Borrowers" booklet. For other charges, which may apply, see our "Tariff of Mortgage Charges" leaflet.

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