

Customer information

About your mortgage

We have provided this Customer Information Booklet with your Mortgage Offer to help explain the Mortgage Offer and how your Mortgage will work. It **does not** form part of your Agreement with us. Please read through this booklet before signing your Mortgage Deed and keep it with your mortgage documents to refer to in the future.

You should also have received our General Mortgage Conditions, the Tariff of Mortgage Charges and Mortgage Deed which together with the Mortgage Offer make up the terms of the Agreement between us. We can only change the terms of this Agreement if we agree the change with you or for the limited reasons set out in condition 1.2 of the General Mortgage Conditions.

We also enclose:

- ▶ a Mortgage Illustration to ensure that you have received one which reflects the terms of the Mortgage Offer. You should already have received this from your Mortgage Broker who should also have explained the key terms of the mortgage to you, and
- ▶ a booklet called 'A guide to the use of your personal and business data and credit reference and fraud prevention agencies' which explains more about the information we hold about you and how we use it.

If you have not received any of these documents, do not understand them or have any questions please let us know. Your mortgage broker or legal adviser will also be able to help explain them to you.

The Mortgage Offer is in a very similar format to the Mortgage Illustration that you will have received and is split into different sections. At the end of the offer is a section called 'Offer Conditions' which includes conditions that must be met before we proceed with the Mortgage and conditions which supplement or amend the General Mortgage Conditions and apply throughout the term of the Mortgage.

About Precise Mortgages

Precise Mortgages is a trading name of Charter Court Financial Services Limited which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Our Financial Services Register Firm Reference Number is 494549. You can check the Financial Services Register by visiting the Financial Conduct Authority's (FCA) website fca.org.uk/firms/systems-reporting/register or by contacting them on **0800 111 6768**.

In this booklet, 'we', 'our' and 'us' means Charter Court Financial Services Limited and anyone to whom we transfer the lender's rights under the Mortgage Deed.

Like other lenders we reserve the right to transfer or assign your Mortgage to another company. This means that for example we may in our discretion "sell" the Mortgage by transferring or assigning our rights under it without your consent. When you complete your Mortgage you agree that we may do this without giving notice to you.

Buy to Let Mortgages

This booklet covers mortgages where the property which is security for the loan is lived in by you (owner occupier) and where you will not live in the property and will let it (buy to let).

Buy to let mortgages are not regulated by the FCA and will be unregulated unless they are 'consumer buy to let'. A buy to let mortgage will not normally be classed as 'consumer buy to let' unless you only have one buy to let property and didn't purchase that property to let (e.g. you inherited it or originally purchased it to live in). 'Consumer buy to let' mortgages are subject to the requirements of the Mortgage Credit Directive Order (the Order) which is supervised by the FCA.

If you have a buy to let mortgage which is not classed as 'consumer buy to let', we have included an Offer Condition in the Mortgage Offer explaining that as the Agreement is wholly or predominantly for the purpose of a business carried on or intended to be carried on by you, you will not have the benefit of the protection and remedies available under the Order. You agree to this by signing the Mortgage Deed.

In Section 2 of the Mortgage Offer we give details of the Mortgage Broker who sold you the Mortgage and indicate whether they gave advice and recommended that you take out the Mortgage or not. We are not responsible for any advice given or recommendation made by your Mortgage Broker.

The Mortgage Broker acts for you in connection with your mortgage application. We provide information about the progress of your application to them in writing, by telephone, fax, email or sms message.

Section 8 of the Mortgage Offer should include details of the amount of any fees you have paid or will have to pay to the Mortgage Broker. If these have not been included please let us know. In addition, in Section 13 of the Mortgage Offer we have set out details of how much we will pay for the introduction of the Mortgage to us and the name of the Mortgage Broker and any other persons who will receive part of that fee.

Contact Details

Your Mortgage Broker's contact details are contained after Section 14 of the Mortgage Offer.

Alternatively, to contact us, please phone

- ▶ 0800 131 3140 if your mortgage has not yet completed;
- ▶ 0800 298 5714 after your mortgage has completed, or
- ▶ 0800 781 8558 if you experience difficulty meeting your mortgage payments;

We may monitor or record telephone calls to check that we have carried out your instructions correctly and to help improve our quality of service.

Your Mortgage Offer

You

We describe who we are making the Mortgage Offer to at the start of the Mortgage Offer. You will be named as the borrower in the Mortgage Deed.

Joint Applicants

If you have applied for a Mortgage jointly with someone else, then each of you is individually and jointly responsible for all obligations in relation to the Mortgage. This means that as well as being responsible together, each of you is responsible individually in full for repayment of the loan.

Sometimes, you may not both benefit from taking out a Mortgage. For example, if the money is used to repay debts in one name, or to finance a business that only one of you owns. If this is the case, you should consider taking independent legal advice to ensure that the Mortgage is right for you.

We will accept information from either of you so if you are giving us information which is not your own, you must ensure that you have the consent of the other person to disclose it and for us to use it for the purposes of the Mortgage Application. We will share any information given to us about you, in connection with the application, with your joint applicant.

Loan Amount

The amount you wish to borrow is set out in Section 3 of the Mortgage Offer together with any fees that you have decided to add to the loan.

Mortgage Term

In Section 3 of the Mortgage Offer, we set out the period of time you have to repay the loan.

Repaying the Mortgage

In Section 3 of the Mortgage Offer, we set out the repayment type you have chosen and whether you have chosen the Repayment or Interest Only option to repay your Mortgage. You cannot choose the Interest Only option unless your Mortgage is buy to let.

Repayment option

If you have chosen the Repayment option, you pay off some of the amount borrowed every month together with a payment of interest charged on your Mortgage. This means that your mortgage balance will reduce every month and by the end of the Mortgage Term your loan will be repaid.

Interest Only

If your Mortgage is Interest Only, your monthly payment only covers a payment of interest charged on your Mortgage. At the end of the Mortgage Term, you will still owe the amount that you borrowed, and you need to repay this as a lump sum.

You will need to ensure that you have a separate savings plan in place to repay the amount borrowed on an Interest Only basis at the end of the Mortgage Term. You should check regularly throughout the Mortgage Term that the performance of the savings plan is likely to be adequate to repay the amount you have borrowed at the end of the Mortgage Term.

However, if you don't keep to the terms of the Mortgage or make your payments on a day other than the 1st of each month then

- ▶ if you have chosen the Repayment option there is likely to be a balance outstanding at the end of the Mortgage Term that you will need to pay as lump sum payment, or
- ▶ if you have chosen the Interest only option the amount that you have to repay at the end of the Mortgage Term is likely to be more than you originally borrowed.

The interest rate

In Section 4 of the Mortgage Offer, we set out the rate at which interest will be charged on the amount you owe to us. Interest is charged on the balance outstanding each day (daily interest) and added to your Mortgage at the beginning each month.

In Section 4 we explain:

- ▶ whether the interest rate is fixed for any part of the Mortgage Term, and
- ▶ when the interest rate is variable and how that variable rate will change.

Monthly Payments

Your regular monthly payments

We will collect your regular monthly repayments by Direct Debit from your bank account.

In Section 6 of the Mortgage Offer we set out the number and amount of monthly payments that you will need to pay assuming that the rate of interest doesn't change and the Mortgage starts on the date stated. The actual number and amount of monthly payments you are required to pay may be different for example because your Mortgage starts on a different date or we change the monthly payments for one of the reasons in Condition 17 of the General Mortgage Conditions.

The reasons we can change the monthly payment include if there is a change to the rate of interest (before or after the Mortgage starts), a change to cover any expenses, costs and charges that are added to the amount you owe.

We will tell you the exact amount of your monthly payment in your Welcome Letter and any subsequent changes 10 business days in advance of the change taking effect. It is your responsibility to ensure that sufficient money is in your bank account when payments are called for. Your bank may charge you for the cost of returning our payment request and you will also incur costs with us if your account goes into arrears in accordance with our Tariff of Mortgage Charges.

When your regular monthly payments are due

Your payment will normally be collected on the 1st business day of the month. However, in relation to your first monthly payment only, if completion takes place less than 10 business days before the end of the month, your first monthly payment will be due 10 business days after completion. All your other monthly payments will then be due on the first business day of each month.

For example, if you complete your Mortgage on the 30th April, your first monthly payment will be due 10 business days later on or shortly after the 12th of May, the next payment will be on the first business day of June and each subsequent payment will be due on the 1st business day of the month. We will send you a Welcome letter when your Mortgage completes, and confirm the date and amount of the first payment.

Your initial interest payment

Interest is due from the day we pay the loan to your conveyancer but we don't collect the initial interest from that date to the end of the first calendar month following completion as part of the first monthly payment. Therefore, you will need to pay that initial interest to us separately. We will write to you shortly after completion to tell you the amount of initial interest payable. You can then pay it by phoning us on **0800 781 8558**.

If you don't do this, we will add this initial interest to the amount you owe on the 1st of the month following completion and interest will be charged on it.

For example, if you complete your Mortgage on the 15th April, your first monthly payment will be due on the first business day of May for the month of May. As we start charging interest on the amount you have borrowed from the 15th April, you also have to pay interest from the 15th April to the 30th April. This is the 'initial interest'. Therefore if the loan amount was £115,000 the amount of initial interest you would have to pay in this example would be £301.64 based on an interest rate of 6%.

The APR, APRC and Illustrating how your monthly payments could be affected by a change to interest rates.

If the interest rate is variable then the monthly payments shown in the Mortgage Offer could be considerably different if interest rates change. We illustrate the impact of this by showing:

- ▶ in Section 7 of the Mortgage Offer, how much your monthly payments could increase by if the interest rate increased by one percentage point, and
- ▶ on the final page of the Mortgage Illustration, the amount of your monthly payments if the interest rate increased to the amount stated on that page.

The final page of the Mortgage Illustration also shows the Annual Percentage Rate of Charge (APRC) and how that could increase if the interest rate rose to the amount stated. The APRC is very similar to the Annual Percentage Rate (APR) quoted in Section 5 of the Mortgage Offer. Although not calculated identically both are provided to assist you in comparing mortgages and take account of the additional costs of the mortgage shown in Section 8 of the Mortgage Offer expressing the total cost of the loan as an annual percentage.

We and other lenders make assumptions in calculating the APR and APRC. For example in calculating the APRC we have assumed that your mortgage will complete on the 1st of the month and that you will make your first monthly payment on that date which is unlikely to reflect what occurs in practice.

Payment difficulties

If you experience difficulty meeting your mortgage payments you can contact us by writing to us at PO Box 6075 Wolverhampton WV10 6TD or you can call us on **0800 781 8558**. We have a team of experienced staff available to provide you with information and support. You can also find useful information on the Money Advice Service website at www.moneyadviceservice.org.uk or by calling **0300 500 5000**.

Protection for loss of income

Your mortgage payments are not automatically protected in the event of accident, sickness or unemployment. You may wish to consider protecting yourself and your family against the risk of losing your income. If you are unable to work, you may experience difficulty repaying your Mortgage and risk losing your home.

Your Mortgage Broker may be able to help you arrange a policy which covers your mortgage payments if you lose your income. We cannot advise you on the suitability of any arrangements that you may make privately or through your Mortgage Broker.

Fees and Charges

In Section 8 of the Mortgage Offer, we set out details of fees that are payable and included in the APR quoted in Section 5 of the Mortgage Offer. We explain in Section 8 when the fees are payable, who they should be paid to, whether they have been paid and whether they are refundable.

In addition you will be responsible for paying:

- ▶ the fees listed in the Tariff of Mortgage Charges. The Tariff of Mortgage Charges sets out the amount of the fees and when they are payable. The amount of these fees and when we may charge them may change for any of the reasons set out in Condition 4 of the General Mortgage Conditions.

and

- ▶ the reasonable costs, charges and fees which we reasonably incur in connection with the Agreement in the circumstances set out in Condition 21 of the General Mortgage Conditions. All such costs, charges and fees will be added to the amount you owe and we will charge interest on them at the interest rate from fourteen days after we asked for them to be paid.

Paying off your Mortgage

You can repay your Mortgage early or at the end of the Mortgage Term.

Whichever you choose, we will make a charge to cover providing you with a written statement of the amount owing and for releasing our charge at the Land Registry. If we have your title deeds, we will also charge to cover the costs of releasing these to your conveyancer.

If you repay your Mortgage early, or if we enforce the Mortgage, you may also have to pay an Early Repayment Charge. The amount of Early Repayment Charges, if any, are set out in Section 10 of your Mortgage Offer.

Overpayments

You are free to make lump sum or regular overpayments on your Mortgage, however any Early Repayment Charges shown in Section 10 of the Mortgage Offer will apply if you do this within the period that those Early Repayment Charges apply.

If you wish to exercise this right, you must tell us that you are making a payment to repay the Mortgage either fully or partially and that you wish us to use that payment to reduce the balance on which we charge interest. Otherwise overpayments will not reduce the balance on which we charge interest or result in a change to your monthly payment.

Early Repayment Charges

In Section 10 of the Mortgage Offer, we explain the Early Repayment Charges that apply if you repay all or part of your Mortgage early. The Early Repayment Charge will be a percentage of the amount repaid and Section 10 of the Mortgage Offer will explain the amount of that percentage, the period it is payable for and give an example of how much would be payable on the amount repaid.

Other features of Your Mortgage

Section 12 of the Mortgage Offer will include details of any additional features that apply to your mortgage.

At the front of the Mortgage Offer we describe the property that will be security for the Mortgage.

Value of the property

We will have obtained a Mortgage valuation on the property to help us decide if the property is adequate security for the loan. The valuation will have been obtained from a valuer on our panel of approved independent surveyors and valuers. They will have provided either a Standard Report or a Homebuyers Report depending on what you asked for.

Standard Report

This is a report that the valuer carries out **for our benefit only** to confirm that the property is good security for the amount of loan that you asked for. The report provides basic information about the property and its condition.

Although the report is prepared for us, you will receive a copy for your information as a courtesy only. **You should not rely on this report as it is not prepared for you.**

If you are purchasing a property, it is particularly important that you are fully aware of the condition of the property and understand if any repairs are required before you buy. Once you have purchased it, you have to maintain the property in good repair as a condition of the Mortgage and this can be expensive if major repairs are required. **If you need more specific information on the condition of the property please obtain an independent valuation or seek advice before you proceed with the purchase.**

Homebuyers Report

This is a detailed report on the property and will highlight if there are any defects or repairs required.

This type of report may be particularly important to you when you are buying a property, as the valuer will carry out a full inspection and comment on other matters that may help you decide whether to proceed with the purchase.

The report is prepared for you by the valuer, but the valuer will also include an assessment of the property for Mortgage purposes. This Mortgage assessment is given to us to confirm that the property is suitable for the Mortgage. You will receive a full copy of the report.

The valuer is not our agent for the purposes of any valuation or report and we accept no responsibility for the contents of any valuation or report (whether a Standard Report or a Homebuyers Report). The Standard Report is not prepared for you and the valuer will not accept any responsibility to you for the Standard Report. The Homebuyers Report is prepared for you and any claim you may have in relation to that report should be made against the valuer, not us.

You will be responsible for paying the costs of the valuation.

The fact that we may make any loan does not mean that we are making any promises or guarantees about the value of the property, the reasonableness of any price you may have paid or are paying for it, the state or condition of the property or the accuracy of the report.

Insuring the property

As a condition of your Mortgage, you must ensure that adequate insurance to cover loss and damage to the property is maintained throughout the Mortgage Term. This means that, amongst other things, you must pay your property insurance premiums on time.

Maintaining cover

You must keep the property insured at all times and ensure that the amount insured keeps up with inflation. If you make alterations to the property (extensions, conservatories etc.) you will need our prior consent to those alterations and you must also keep your insurer up to date and increase the amount of cover.

You must pay all premiums to your insurer to prevent the policy lapsing. If you do find yourself without insurance cover, for whatever reason, you must ring us immediately.

What you should cover

As a minimum this must equal the rebuilding cost in the valuation report and cover the following risks:

- ▶ fire, explosion, lightning, earthquake
- ▶ bursting, leaking or overflow of watertanks, pipes or apparatus
- ▶ storm or flood
- ▶ subsidence/heave or landslip
- ▶ impact by vehicles, trains, aircraft or animals
- ▶ riot, civil commotion, labour and political disturbances, vandalism and acts of malicious persons.

The Conveyancers acting on the purchase or remortgage of the property

We will instruct a solicitor or other conveyancer to act for us to ensure that the property will be satisfactory security for our loan and that we have a charge over it. We will normally instruct the same conveyancer who is acting for you provided that they are on our panel. If you choose to instruct a conveyancer that is not on our panel, we will instruct a conveyancer from our panel to act for us.

You will be responsible for all the legal fees and disbursements including the fees of our conveyancer where you have instructed a different conveyancer to us.

What are the consequences if you do not keep up with your obligations under the Mortgage

We expect you to comply with all your obligations set out in the Agreement including the General Mortgage Conditions which include:

- ▶ making the required monthly payments on your loan on time.
- ▶ making and keeping to arrangements for repaying the capital outstanding at the end of the Mortgage Term on the Interest-Only part of the Mortgage (If you have elected for the Interest Only option for repaying your Mortgage).
- ▶ not letting the property (unless your loan is a buy to let Mortgage and we have agreed to you letting the property in the offer conditions).
- ▶ looking after the property and keeping it in a good state of repair.
- ▶ insuring the property using an appropriate policy.
- ▶ paying any costs and charges associated with the property for example any ground rent and service charge.

Where you fail to meet these (or other) obligations there may be additional costs for you where we have to carry out further work. As we have explained earlier you can find details of our fees and charges and our right to change them in our Tariff of Mortgage Charges and the General Mortgage Conditions.

In addition you will have to pay any costs we pay for insurance and to third parties (e.g. solicitors, asset managers, receivers) that we may instruct to recover any money owed to us or protect our interest in the property.

We may also pay, on your behalf, any costs and charges associated with the property where you have failed to, and we reasonably consider it necessary to do so to protect our interest in the property. We will add these costs and charges to the amount you owe and which you have to repay to us.

If you fail to make your monthly payments then this information will be passed to credit reference agencies, which may impact on your ability to take out further loans.

As a last resort, your home may be repossessed if you do not keep up with payments.

If your Mortgage is a buy to let Mortgage we may also appoint a 'receiver' to collect rent, manage and potentially sell the property. The receiver acts as your agent and therefore we are not legally responsible for their actions.

Your obligations are set out in full in the Mortgage Deed, the Mortgage Offer, including the Offer Conditions, the General Mortgage Conditions and the Tariff of Mortgage Charges.

Our right to withdraw the Mortgage Offer

Our Mortgage Offer is a binding offer valid until the date stated at the front of the Mortgage Offer. The Mortgage Offer is automatically withdrawn if we have not released the funds before this date.

Otherwise we can only withdraw the Mortgage Offer during this reflection period for one or more of the reasons in Condition 3.1 of the General Mortgage Conditions. These include:

Inaccurate Information

One of the reasons we can withdraw the Mortgage Offer is if any of the information you have given, or has been given to us on your behalf, is untrue, inaccurate or incomplete and we have used that information in deciding whether to provide the Mortgage Offer to you. Or if the loan has completed, we can demand immediate repayment of the loan in this situation.

It is important therefore that any information you give to us, whether provided personally by you or not, is true and accurate in all respects.

You should also be aware that it is an offence to knowingly make a false, inaccurate or misleading declaration when applying for a Mortgage. If you make such a declaration you may face criminal prosecution and/or civil action for recovery of any losses incurred by us. We will also record this and may pass this information to fraud prevention agencies and other organisations involved in crime and fraud prevention.

Changes to Circumstances

Please keep us fully informed if your circumstances change. We will also be entitled to withdraw the Mortgage Offer if there has been a material change in your circumstances since the date of the Mortgage Offer which is likely to have a material impact on your ability to afford the Mortgage and had we been aware of the change we would not have provided the Mortgage Offer to you or would have provided it to you for a lower amount.

Cancelling your Mortgage Application

You are free to cancel your Mortgage Application or decline the Mortgage Offer at any time, up until the money is sent to the conveyancer instructed to act for us. If you are considering doing this then please check Section 8 of the Mortgage Offer which will tell you whether any of the fees you have paid will be refundable.

After the money is released and your Mortgage account is opened, you cannot cancel your application but can pay back the loan at any time that you wish. You should check Section 10 of your Mortgage Offer for details of the fees and Early Repayment Charges that may apply if you decide to do this.

Accepting your Mortgage Offer

You should check the Mortgage Offer carefully, and compare it with the Mortgage Illustration provided to you by your Mortgage Broker. If there is anything that you don't think is correct or is unclear then you need to ask us, your Mortgage Broker or your legal adviser.

You can accept the Mortgage Offer at anytime by signing the Mortgage Deed in the presence of a witness who should also sign the Mortgage Deed and provide the information requested. You should then send it to your conveyancer confirming to them that you wish to accept the Mortgage Offer.

The conveyancer acting for us, who may also be acting for you, will send to us a Certificate of Title. We will take receipt of that as confirmation that you accept the Mortgage Offer and wish to proceed with the Mortgage.

Releasing the money

We will send the money to the conveyancer acting for us when they request it. This may be earlier than the date that your conveyancer completes your purchase, or sends the money to your previous lender to ensure that it is available when needed. We will charge interest from the date that we send the money to the conveyancer.

If you are unhappy with the service provided to you by Precise Mortgages, you should tell us so we can fix it for you. Contact us on the numbers given at the start of this booklet and our staff will help you. If you remain unhappy with our response to your complaint, you have the right to refer it to the Financial Ombudsman Service www.financial-ombudsman.org.uk. Please ask for our leaflet '**Handling your complaints effectively**', which explains our complaints procedure at any time.

If you have any complaints regarding the service provided by the Mortgage Broker you should contact them direct. Their details are at the end of the Mortgage Offer in the contact details section.

We can provide literature in large print, Braille and audio tape. Please ask us for this leaflet in an alternative format if you need it.

Precise Mortgages is a trading name of Charter Court Financial Services Limited which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Financial Services Register Firm Reference Number 494549). Registered in England and Wales with company number 06749498. Registered office: 2 Charter Court, Broadlands, Wolverhampton WV10 6TD.

