

Second Charge Loans 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 loan which will be secured by a second charge Mortgage (referred to in this Booklet as the 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 Credit Intermediary who should also have explained the key terms of the mortgage to you, and
- ▶ a Privacy Notice with information on how we, credit reference agencies and fraud prevention agencies use your personal data and on your data protection rights.

If you have not received any of these documents, do not understand them or have any questions please let us know. Your Credit Intermediary will also be able to help explain them to you. You should seek independent advice if you are unsure whether any of the terms of the Agreement are suitable for 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**.

Precise Mortgages is a member of the Finance and Leasing Association (FLA) and follows the FLA Lending Code which applies to loans secured by a second mortgage on your home. Copies of the FLA Lending Code are available from Precise Mortgages, 2 Charter Court, Broadlands, Wolverhampton WV10 6TD or visit the Finance & Leasing Association website at www.fla.org.uk.

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.

Residential and 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 those 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 Credit Intermediary 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 Credit Intermediary. Therefore where Section 2 states 'We recommended..' or 'We are not recommending' it is referring to the Credit Intermediary recommending or not recommending a particular mortgage for you.

The Credit Intermediary 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 4 of the Mortgage Offer should include details of the amount of any fees you have paid or will have to pay to the Credit Intermediary or any other firm in connection with this Mortgage. If these have not been included please let us know. In addition, in Section 2 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 Credit Intermediary and any other persons who will receive part of that fee.

Use of the mortgage and debt consolidation

You should consider whether there are any features of the Agreement which may make the loan unsuitable for your intended use and discuss any concerns you may have with your Credit Intermediary.

If you are taking out a loan to repay existing debts, it is important you understand that by consolidating these debts, you may pay a higher rate of interest or higher charges and the term of the loan may be longer. The total interest payable as a result of spreading the debt over a longer period may be higher as a result and you may also be securing previously unsecured debt against your property.

Think carefully before securing other debts against your home.

You should seek independent advice if you are unsure whether any terms of the Mortgage are suitable for you.

Contact details

Your Credit Intermediary's contact details are contained after Section 2 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.

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 and make your payments on the Payment Date 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 3 of the Mortgage Offer, we explain the interest rate type and;

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

In Section 4 we state the rate at which interest will be charged on the amount you owe to us. Where the rate of interest is variable this is the current rate and it may change as set out in Section 3. Interest is charged on the balance outstanding each day (daily interest) and added to your Mortgage on your Payment Date (see below).

We will also explain in Section 3 and 4 the rate of interest that will be charged after the Mortgage Term if you have not repaid the Mortgage by the end of the Mortgage Term for any reason and if it would be different to that which applies during the Mortgage Term.

Monthly Payments

Your regular monthly payments

We will collect your regular monthly payments 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 first payment will be due one month after completion (unless that day is not a business day in which case you must make your first monthly payment on the next business day) and all subsequent monthly payments will be due on that same date in the month unless:

- ▶ that day is not a business day in which case you must make your Monthly Payment on the next business day, or
- ▶ Completion took place on the 29th, 30th or 31st day of a calendar month, in which case, in those calendar months when there is no such date, the Payment Date will be the last business day of the calendar month.

For example, if Completion takes place on 15th May, your first Payment Date would be 15th June (assuming 15th June is a business day) and subsequent Payment Dates would be on the 15th day of each subsequent Month during the Mortgage Term (assuming all those dates were also business days).

We will confirm the Payment Date in your welcome letter.

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

In Section 4 of the Mortgage Offer we show the Annual Percentage Rate of Charge (APRC) and how that could increase if the interest rate rose to the amount stated. The APRC is the total cost of the loan expressed as an annual percentage. The APRC is provided to assist you in comparing mortgages and takes account of the additional costs of the Mortgage shown in Section 4 of the Mortgage Offer. We and other lenders make assumptions in calculating the APRC.

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 6 of the Mortgage Offer, how much your monthly payments could increase by if the interest rate increased to the amount stated in that Section.

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 Credit Intermediary 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 Credit Intermediary.

Fees and charges

In Section 4 of the Mortgage Offer, we set out details of fees that are payable and included in the APRC quoted in Section 4 of the Mortgage Offer. We explain in Section 4 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. 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 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 8 of your Mortgage Offer.

If you wish to pay your mortgage early please let us know and we will send you a redemption statement.

Overpayments

You are free to make lump sum or regular overpayments on your Mortgage, however any Early Repayment Charges shown in section 8 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 8 of the Mortgage Offer, we explain any 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 8 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 9 of the Mortgage Offer will include details of any additional features that apply to your Mortgage.

Payment Holidays

- ▶ You are not allowed to take 'payment holidays' under the terms of the Agreement which requires you to make consecutive Monthly Payments. If you do not make a payment when it falls due, you will have to pay a fee in accordance with our Tariff of Mortgage Charges.

Further Advances

- ▶ It is not possible to increase the amount of borrowing on an existing loan. If you require further borrowing, you can apply for a new loan through your chosen Credit Intermediary to include the additional amount and the amount outstanding on your existing loan with us.

Moving House

- ▶ If you sell the property which is security for the Mortgage, you will have to repay the Mortgage on completion of your sale. It is possible you may be able to arrange a new loan with us on your new property.

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

In Section 12 of the Mortgage Offer, we explain the consequences if you fail to comply with all your obligations set out in the Agreement.

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.

The property that will be security for the Mortgage

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

Our Charge over the property

We will have a legal charge over that property. This will be a second legal charge ranking behind the current first mortgage. We will not agree to any additional borrowing that would take priority to our charge over the property. If you repay the first mortgage then we will automatically have a first mortgage over the property. If you wish to remortgage your existing first mortgage then you will need our agreement to this.

Assessing the value of the property

We will arrange for a valuation to be carried out on the property to help us decide if the property is adequate security for the loan. The valuation must be provided by a valuer on our panel of approved independent valuers.

We may use a valuation model to assess the current value of your property rather than carrying out a physical inspection of it. Your Credit Intermediary will tell you which method we are using.

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. Please be aware the report will be carried out to help us assess your application only and you should not rely on it for any other purpose.

If you are responsible for paying the costs of the valuation you will have been told this in Section 4 the Mortgage Illustration and the cost will be included in Section 4 of the Mortgage Offer.

If we give you a mortgage, this 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 if a valuation based on a physical inspection has been carried out. If we have used a valuation model and not carried out a physical inspection you will need to ensure you have adequate cover in place, as confirmed by your insurer. The policy should 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.

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 Section 15 of the Mortgage Offer. These include:

Inaccurate Information

We can withdraw the Mortgage Offer 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 we release the funds. If you are considering doing this then please check Section 4 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 8 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 Credit Intermediary. If there is anything that you don't think is correct or is unclear then you need to ask us or your Credit Intermediary.

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 the firm named in the 'next steps' section of the letter we sent to you with the Mortgage Offer.

We will take signature of the Mortgage Deed as confirmation that you accept the Mortgage Offer and wish to proceed with the Mortgage.

Releasing the money

We will not release the money until all the Offer Conditions in Section 15 of the Mortgage Offer have been met and we have received the properly executed Mortgage Deed.

We will send the money following the instructions you gave during the application and as detailed in Section 15 of the Mortgage Offer. Where you are consolidating unsecured loans or credit cards, we will normally send cheques to you made payable to the creditor(s) for you to send on to them. If you are clearing an existing secured loan on your property, we will send the funds directly to the company concerned.

We will charge interest on the amount you borrow from the day we release the loan funds. If you are clearing unsecured loans and credit cards, it is in your interest to send the funds to those companies as quickly as possible.

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 Credit Intermediary you should contact them direct. Their details are in Section 11 of the Mortgage Offer.

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.

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