

HMO Buy to Let

You should read this document carefully in conjunction with our **Mortgages explained** booklet to ensure you understand what you are buying and keep it safe for future reference.

Maximum loan to value (see note 5 - overleaf)	60%
Initial interest rate	3.60% variable
Offer	Our Standard Variable Rate (SVR) with a 0.50% discount for the first 3 years, changing to our SVR for the remainder of the mortgage.
Incentives	<ul style="list-style-type: none"> Overpayments allowed
Loan size	£50,000(Min) - £500,000 (Max) (£40,000 minimum loan for existing borrowers transferring onto this product)
Is an Early Repayment Charge (ERC) payable?	<ul style="list-style-type: none"> The Early Repayment Charge (ERC) period applies from the date of completion. For this product the ERC period is 3 years from date of completion. The ERC is 2% of the original loan amount (or the balance outstanding on the date an existing mortgage is transferred to this product). During the ERC period you are permitted to make overpayments up to 10% of the original loan amount per year (or the balance outstanding on the date an existing mortgage is transferred to this product). If overpayments exceed 10% in a year during the ERC period, you will have to pay the relevant ERC percentage rate on the amount of overpayment exceeding the permitted level. The full ERC is payable on the original loan amount (or the balance outstanding on the date an existing mortgage is transferred to this product) if you repay your mortgage in full during the ERC period. The ERC will also be levied on previously permitted overpayments.
Fees (see note 6)	Application fee: £1,500 (Purchase and Remortgage) £0 (Existing borrower product transfer) Mortgage Exit Administration Fee (MEAF): £100
Standard mortgage valuation fee (see note 3)	Yes
Representative example	<p>A mortgage of £80,000 payable over 14 years initially on our standard variable rate, currently 4.10% with a discount of 0.50% for 36 months giving a current rate payable of 3.60% and then on our standard variable rate, currently 4.10% for the remaining 11 years would require 36 monthly payments of £244.50 and 132 monthly payments of £278.46 plus one initial interest payment of £32.15.</p> <p>The total amount payable would be £127,415.87 made up of the loan amount plus interest of £45,590.87 an application fee of £1,500, a valuation fee of £225 and a MEAF of £100.</p> <p>The overall cost for comparison is 4.3% APRC representative. Please note this illustration is based on an interest only basis (capital and repayment is also available)</p>

YOUR MORTGAGE IS SECURED ON YOUR HOME. THINK CAREFULLY BEFORE SECURING OTHER DEBTS AGAINST YOUR HOME. YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.

Call **01635 555700**
Visit **newbury.co.uk/mortgages**

Mortgage product guide notes

1. Availability

Our House in multiple occupation (HMO) Buy to Let variable mortgage is available to you if you are looking to purchase, remortgage or borrow additional funds where the property is let on a HMO basis. Applicants must own and occupy their main residence or be in tied accommodation. Properties must be located in the following post code areas; AL, BA, BH, BN, BS, DT, EX, GL, GU, HA, HP, HR, KT, LU, MK, NN, OX, PO, RG, RH, SG, SL, SM, SN, SP, SO, TA, TU, UB, WD, WR. The maximum number of HMO properties per borrower is 2. The mortgage term must be between 5 and 25 years. Minimum property value £125,000.

2. Legal costs

Legal work is required when buying or remortgaging a property to let. This legal work is carried out by a solicitor and is payable by you. We can use the same solicitors as you, providing there is a minimum of four Approved Managers/Licence Holders and they are registered on The Law Society website (www.lawsociety.org.uk).

Licensed conveyancers are also acceptable for residential business only. The conveyancer must be registered with the Council of Licensed Conveyancers and be in a firm with at least four Approved Managers/Licence Holders.

3. Standard mortgage valuation fee

A valuation of the property and rental income assessment will be required to assess the security offered for the loan. We offer the choice of either a basic mortgage valuation, which is for us to assess security only, or a Home Buyer's Report that will give you a more comprehensive guide to the condition of the property. It is payable in advance and cannot be refunded once the valuation has taken place. If you would like a full building survey, we will give you the names of some local surveyors who you can contact to give precise instructions and negotiate a price.

If an existing borrower who is not moving house would like a revaluation carried out to assess whether they qualify for the product they will be required to pay a revaluation fee.

4. Maximum loan to value

Loan to Value (LTV) is the proportion of the value or price of the property (whichever is the lower) that you borrow on a mortgage. For example, a £150,000 mortgage on a house valued at £200,000 would mean a LTV of 75%.

For existing borrowers transferring on to this product the LTV will be calculated on the current loan (capital balance) and the indexed valuation held on our records. If the borrower feels the indexed valuation is inaccurate it can be reviewed by contacting our Customer Services department.

5. Fees

The application fee can be added to the mortgage and is refundable if the mortgage does not take place. If you add the application fee to your mortgage, this increases the amount you borrow and will also increase your monthly payments.

This fee is of £120 for further advance loans on your existing Newbury Building Society mortgage.

A Mortgage Exit Administration Fee (MEAF) applies when you repay your mortgage. Please see our Tariff of charges leaflet and your European Standardised Information Sheet (ESIS) for details.

6. Timescales

House purchases must complete within three months of the date of the formal mortgage offer. Remortgages must complete within three months from the date of the formal mortgage offer. Further advances must complete within three months of the date of the further advance offer.

For new build properties the mortgage offer is valid for up to 6 months. The application must be able to complete in the product time scales. Therefore, the new build property must be completed and available for occupation within 6 months of the mortgage offer.

Where existing borrowers transferring their existing mortgage are not in an early payment charge period, the transfer must take place within two weeks of the mortgage offer.

7. Portability

This mortgage is portable. This means that if you sell your rented property within the early repayment charge period and take out another mortgage on the same terms and for the same amount (or more) on another property, we will waive the early repayment charge and carry it over to the new mortgage (providing the terms and status are acceptable). If the loan amount is lower, there may be a charge based on the difference between the old and the new amount.

8. Other charges

Charges applying to the ongoing administration of your mortgage are detailed in our Tariff of charges leaflet, which you will be given before your mortgage completes.

WE HAVE NO CURRENT PLANS TO WITHDRAW THIS PRODUCT BUT IT MAY BE WITHDRAWN WITHOUT NOTICE

Newbury Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Financial Services Register number 206077). English Law applies and we will communicate with you in English. We are participants of the Financial Ombudsman Service. We have a complaints procedure which we will provide on request. Most complaints that we cannot resolve can be referred to the Financial Ombudsman Service.