



Residential mortgages general information

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Who we are and what we do

Kent Reliance is a UK trading brand of OneSavings Bank plc based in Chatham, Kent. This brand maintains a link to our great history of offering financial products to the people of Kent for over 150 years – and more recently the whole of the UK.

You can write to us at
 Reliance House
 Sun Pier
 Chatham
 Kent
 ME4 4ET

Kent Reliance is a mortgage lender, and accepts mortgage applications from mortgage advisers only. If you have a mortgage adviser we suggest you speak to them about our range of mortgages. If you do not have a mortgage adviser, you'll find a list of mortgage advisers in your local area at <https://www.unbiased.co.uk/>

Forms of security

Mortgages are secured against acceptable residential properties on a first charge basis throughout England and Wales for the purpose of house purchase and remortgage.

Representative Example

Representative example of the total amount of credit based on a variable rate currently 6.08% with a discount 2.19% for 24 months to give a rate payable of 3.89% lending £250,000. The total cost of the credit £225,112 the total amount payable £475,112.96 and the APR 5.9% and APRC 13.04%

*This example has been produced on the assumption that booking fee is paid on application

Indication of possible further costs to be paid in connection with a regulated mortgage contract

There may be further costs which you may have to pay depending on particular events, for example a charge for handling a change in your circumstances, or for a particular service provided by us for example a charge for administering early mortgage redemption.

These are detailed in our Tariff of Fees and Charges which can be viewed here kentreliance.co.uk/downloads.

Variable rates

With a variable rate mortgage, the interest rate may change whenever our lending rates are altered. During the lifetime of a mortgage there may be several interest rate movements – both upwards and downwards. There are various types of variable rate mortgages and at any one time, we may offer one or more of the following variable rate products:

Standard variable rate (SVR)

This is our basic mortgage rate against which most of our other products are set. As the rate may vary significantly over time, you would need to ensure you could cope with changes in the repayment.

Discounted variable rate

A discount from our Standard variable rate is available for a period of time, giving you the benefit of initial lower monthly payments.

At the end of the discount period, interest is charged at our Standard variable rate.

Tracker rate

An interest rate which is linked to another variable rate and tracks its movements. It is usually linked to the Bank of England base rate (BoEBr) and will change on the 1st of the month following any change in the BoEBr.

Fixed rates

With a fixed rate mortgage, the interest rate is fixed at a certain level for a specific period. During this time the rate will not change – even if variable rates go up or down. This gives you budget certainty. From the end of the fixed rate period, interest is charged at our Standard variable rate.

Residential mortgage products

These fall into two types, depending on the type of needs you have:

Standard range

A range of mortgage products to suit most people.

Special mortgage products

Specialist mortgage products for people needing something different. These are for people whose circumstances mean they are looking for a specific type of mortgage, for example: Shared ownership – if you want to buy a home under a shared ownership scheme. For further details visit kentrelance.co.uk or refer to the Mortgage Rate Guide – Shared Ownership.

Buy to Let mortgages

Purchase of a property, with the view of renting it out to a tenant(s).

Different ways to repay your mortgage

You can choose whether to pay your mortgage through the capital and interest repayment method, the interest-only method (backed by a repayment strategy) or a combination of both.

Capital and interest (also known as repayment mortgage)

You make one monthly payment, part of which covers the interest due for the month and the remainder goes towards paying off the original amount you borrowed (the capital). As long as you make all your payments as due, by the end of the mortgage term the mortgage will have been totally repaid.

Interest-only mortgage (by prior agreement)

Your monthly payment to us only covers your mortgage interest – not any of the original loan. The loan is repaid at the end of its term from the proceeds of an investment which has been taken out by you as a ‘repayment strategy’ or you will need to have some other means of repaying the mortgage. Examples of investments that can be used as a way to repay a mortgage are endowment policies, pension policies, cash ISAs or stocks and shares ISAs.

Please note: It is important to remember that the value of any investment is subject to market performance, so can go down as well as up. This means there is no guarantee that the investment fund will be sufficient to repay the loan in full.

It is your responsibility to ensure that adequate funds are available at the end of the mortgage term to repay the original loan. Failure to make suitable arrangements to repay your mortgage at the end of the term may result in you being unable to repay your mortgage and so being in default and/or the mortgage continuing for longer than originally anticipated. In either case this may adversely affect your future financial plans.

Part and part mortgage

You choose the amount of the initial loan or mortgage you would like to be on interest-only and the remaining amount will be repaid entirely over the mortgage term as capital and repayment. Hence “part” of the balance is payable as interest-only and therefore does not reduce and the other “part” is paid with both interest and capital each month to bring that part of the mortgage balance down.

Duration of the mortgage loan

You can choose to repay your mortgage over a period of between 5 and 35 years. For capital and interest mortgages the longer the term, the smaller your monthly payments – but the greater the total amount payable overall. For interest-only mortgages the term needs to be linked to your end of term repayment strategy. If your mortgage term extends beyond your retirement, you will need to ensure that you have arrangements in place to continue to make your monthly payments.

Early repayment

Early repayment of a mortgage is a charge you may incur if you pay off all or part of your mortgage earlier than agreed.

Working out how much you can borrow

The maximum amount you can borrow depends on a combination of how much you earn, your income(s), outgoings and the value of the property.

We assess the maximum we are prepared to lend based on your net disposable income (your net income less certain items of expenditure eg other loans, credit cards, etc). In general we do not allow your debt servicing costs to exceed 50% of your net income. We describe this as our debt to income ratio.

Loan to value (LTV)

This means the amount of loan in proportion to the value of the property. The loan to value is always expressed as a percentage. For example a £75,000 loan on a property valued at £100,000 would be 75% LTV.

Property value

The amount we lend cannot exceed a certain percentage of the value of the property. This is referred to as the maximum loan to value ratio or LTV. The maximum LTV depends on the particular mortgage product chosen (see individual product details).

Fees and other costs

Valuation

In order to assess the value of your property and make sure that it offers suitable security for our loan, we will need to instruct one of our panel of valuers to carry out a valuation for mortgage purposes on behalf of Kent Reliance. You will be asked to pay a valuation fee based on the purchase price or estimated valuation with your application.

If your mortgage application does not proceed, we are not able to refund the valuation fee if a valuer has been instructed.

Valuation report

As this is a report for mortgage valuation purposes only, you should not rely on it to tell you what you need to know about the condition of a property, and it is strongly recommended that you arrange a more detailed report of the property for your own protection. You will be given the opportunity on the mortgage application form to request our valuer to contact you to explain the different types of report available and their costs. You will have to pay these costs from your own resources. Kent Reliance will not bear any such costs.

Administration fee

You will need to pay an administration fee on application to offset the costs incurred by us in processing your mortgage application. The amount of the administration fee is specified with the details of each particular mortgage product. If your mortgage application has been submitted but does not proceed, we are not able to refund the fee if it has already been spent in processing or part processing your application.

Product fee

Some of our products, such as fixed rate mortgages, incur a product fee. The amount of any product fee is specified with the details of each particular mortgage product.

Solicitor's fee

If you are buying a property, as well as the conveyancing costs you are responsible for all legal costs associated with setting up the mortgage. If the solicitor you choose is on our panel, we can usually instruct the same solicitor so they can act for us at the same time as for you, and this may save you money. However you may shop around and are free to instruct your own solicitor if you wish. Some solicitors will quote a fee in advance, whilst others may charge a standard fee, although they may have to charge more if the case is particularly complex.

Other expenses such as stamp duty, Land Registry charge, Local Authority and other search fees will be added to their bill.

References from other lenders

If you already have a mortgage with another lender, we may ask that lender to provide a reference. Your lender may charge you for this.

CHAPS fee

When your mortgage is due to 'complete', your solicitor will ask us to release the funds through the Clearing House Automated Payment System (CHAPS). Banks (including Kent Reliance) make a charge for this service and this fee is specified on our fees and charges sheet which you will receive with your illustration and offer documentation and will be deducted from the amount transferred to your solicitor.

Insurance

For your home

For your own protection as well as ours, it will be a condition of our mortgage that your property is adequately insured for the full re-instatement value (ie rebuilding costs) specified in your Mortgage Offer. You are to make your own insurance arrangements, which your solicitor must confirm to us.

Other insurance you should consider

Whilst buildings insurance is compulsory under the terms of the mortgage, you may also want to consider the other types of insurance available to offer you protection according to your needs.

Contents insurance

Covers the contents of your home like your furniture, household equipment, clothing and personal belongings.

Mortgage payment protection insurance (MPPI)

Designed to cover the costs of your mortgage payments if you experience changes to your personal circumstances such as accident, sickness or involuntary redundancy and are unable to pay.

Life assurance

Designed to pay off your mortgage in full if you die unexpectedly, so the property can pass to your estate without the burden of a loan to be repaid.

Please note: Kent Reliance does not provide or arrange home insurance, content insurance, life insurance or MPPI, so please contact your independent financial adviser to discuss these types of insurance.

Paying your mortgage

Interest is added to your mortgage account from the day of completion until the last day of that month. After that, interest is charged monthly on the balance outstanding at the end of the previous month. This means your first month's repayment is likely to include the interest accrued from completion to the end of the month.

Monthly payments

Payments to your mortgage account will be collected monthly by direct debit from your bank account. A direct debit instruction will be included with our mortgage application form. Soon after the start of your loan and before any payments are actually due, we will write to you to confirm the due date and amount of your payments.

Your mortgage must be paid by direct debit. You can choose any payment date between the 10th and 28th day of the month.

Rate changes

If there is a change in mortgage interest rates we will write to you before the first revised payment is due to let you know the new amount and when it will be collected.

Overpayments, lump sum payments and early repayment charges

It may be possible to make lump sum payments or overpayments to your mortgage, depending on the mortgage product you have chosen. However, some products carry an early repayment charge, so you should check the terms of your Mortgage Offer very carefully before making any lump sum payments as an overpayment may incur an early repayment charge.

If you are thinking of making an additional payment to your mortgage, contact us first to find out how an overpayment or lump sum payment would affect your account.

Payment difficulties

If your circumstances change and you have, or think you will have, difficulties with your monthly payment, let us know immediately. We will try to help and will work with you to find a solution and prevent unnecessary arrears.

If you want to...

Borrow more money

You can increase your borrowing with us for home improvements or for a variety of other purposes, such as paying for a car or holiday, and the cost can be spread over the remaining term of the mortgage. As long as your account has been well-conducted and your total borrowing will not exceed the maximum loan to value allowed, you may be eligible for Additional Borrowing (subject to income). If approved, this can normally be made available in just a few days. To find out more call 0345 122 0033* and ask about additional borrowing.

Think carefully before securing other debts against your home. Your home may be repossessed if you do not keep up repayments on your mortgage.

* For customer service and training purposes, calls with Kent Reliance may be monitored and/or recorded.

Moving home

Our residential mortgage products are normally portable, unless specifically stated otherwise. This means that even if you move home during the initial special deal period of a mortgage, the remaining benefits (up to the outstanding balance of your existing mortgage) of that special deal can be transferred to your new mortgage with us, subject to our lending criteria at the time of any move. In this case, any early repayment charges will not be charged but the existing interest rate will not apply to any additional funds that you borrow unless it is our Standard variable rate.

When you want to move home call us first on 0345 122 0033* to find out what we can offer.

Letting your home

If you want to let your home, under the terms of your mortgage you will need our consent. We will normally be pleased to give this, but we will increase the rate of interest charged on your mortgage loan while your property is let because of the increased risk of it not being your main residence.

To discuss your request call us on 01634 835791*

Make changes to your mortgage

You may want to switch from one mortgage product to another or from one repayment type to another. Subject to the terms and conditions of your particular mortgage, we will always try to accommodate any requests. There may be a charge for this.

If your circumstances change you may even want to transfer ownership of the property and the borrowers under the mortgage deed. This is called a transfer of equity. Whatever your request, we will be happy to help if we can.

To find out what we can do and request a European Standardised Information Sheet (ESIS), call us on 0345 122 0033*

Other things you need to know

We'll always treat your account in strictest confidence under the Data Protection Act 1998, you are entitled to know what information we hold about you and to ask us to correct any inaccurate details. We may charge for this service. If you have any questions about the Act or your rights under it, please write to:

Head of Compliance
Reliance House
Sun Pier
Chatham
Kent
ME4 4ET

If we get it wrong we'll put it right

We do our absolute best to get everything right all of the time, but if you believe we have not, please let us know. Under our internal complaints procedure we aim to resolve all complaints by the close of business on the third working day after the day of receipt. Where this is not possible, we will acknowledge your complaint in writing within five days and outline our dispute resolution timescales. Under regulatory rules, we have 8 weeks (56 days) to resolve a complaint.

* For customer service and training purposes, calls with Kent Reliance may be monitored and/or recorded.

We are covered by the Financial Ombudsman Service

Whilst we hope to be able to resolve any problem through our internal complaints procedure, customers can appeal to the Financial Ombudsman Service after internal procedures have been exhausted. Details of our complaints procedure is available at one of our branches, Head Office or our website kentreliance.co.uk.

Our regulatory status and codes of practice

OneSavings Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (registered number 530504). It is a member of the Council of Mortgage Lenders (CML) and is subscribed to the Financial Services Compensation Scheme. Details are available on request through one of our branches, Head Office or our website kentreliance.co.uk.

Product availability

All of our products are subject to availability of funds and can be withdrawn at any time.

How we use your information

The information you provide to us or which we obtain through our dealings with you or in connection with your account will be held by us on our computers and in other records, even if your application does not proceed to completion.

- We may use your personal information to help us provide the product(s) and service(s) you are applying for.
- In assessing your mortgage application (and administering your loan and our relationship with you), we will make enquiries and searches with credit reference agencies (including Equifax and Call Credit) using your personal information and we will inform such agencies that you have an account with us and how you operate that account, including details of any default history. Credit reference agencies record details of all enquiries or searches whether the application proceeds or not, and these will be seen by other organisations carrying out similar checks. We may use credit-scoring methods to assess your application and verify your identity. All information received and recorded by credit reference agencies may be used by other lenders in making credit decisions about you. **You should be aware that if you do not meet the obligations of any agreement with OneSavings Bank plc, the availability of this information to credit reference agencies and therefore to other lenders may have a serious effect on your ability to obtain credit**

in the future.

For the purpose of any application to us, if two or more applicants apply for a mortgage product, when we conduct the credit search, a financial association will be created with the other person(s).

- To prevent or detect fraud, or to assist in verifying your identity, we may make searches of records held by our service providers, appointed representatives and related entities (including Kent Reliance Provident Society Limited (the “**Provident Society**”), a subsidiary of OneSavings Bank plc or the Provident Society, or a company treated as a subsidiary of OneSavings Bank plc or the Provident Society (the “**Kent Reliance Group**”).
- The Kent Reliance Group will check and record your details with fraud prevention agencies. If false or inaccurate information is provided and fraud is identified, details will be passed to fraud prevention agencies. Law enforcement agencies may access and use this information. The Kent Reliance Group will search for similar applications made by you to other lenders and, if fraud is suspected, other relevant details will be shared with those lenders. This information may also be used by other entities making financial and credit related decisions about you or in connection with any existing accounts for the purposes of detecting and preventing fraud. Please write to:

Head of Compliance
Reliance House
Sun Pier
Chatham
Kent
ME4 4ET

if you want to receive details of the relevant fraud prevention agencies.

- We will also use this information to:
 - update or enhance our customer records, deal with your enquiries and requests and for account administration;
 - create and maintain a customer profile on you;
 - improve the quality of our products and services;
 - help us develop products and services that may be of interest to you in the future; and
 - carry out detailed statistical and business analysis.
- We may also pass on this information:
 - to credit reference, law enforcement and fraud prevention agencies for the purpose of preventing or detecting fraud or where otherwise required by law;
 - to other appropriate organisations, including debt collection agencies, to enable debtors or defaulters to be traced and pursued for any sum due to us;
 - to any insurance company/local authority to which you may make application for a guarantee in connection with a loan;
 - to your legal adviser, financial adviser, and/or

organisation that introduced you to us and any other of your professional advisers;

- e. to the person who values any property which is security for the mortgage and we may use or give information about your property to others for the purpose of helping to value properties;
- f. to regulatory authorities and any other person/corporate body having a legal right to the information;
- g. to any person giving a guarantee in respect of the loan for which you are applying or their advisers;
- h. to any other employer, accountant, bank, landlord or mortgagee, or other appropriate person from which we seek a reference about you;
- i. to successors in title to our business, our service providers and members of the Kent Reliance Group in order to provide the products and services you need. Where we transfer your personal information outside the European Economic Area, we will endeavour to protect your personal information in accordance with strict data protection standards;
- j. to anyone to whom we transfer, or may transfer, our rights and duties under any agreement with you;
- k. to any other organisation if the law allows us to do so; and
- l. to our professional advisers, auditors, the insurer of the property, third party mortgage administration service providers and any individual or organisation that we contract to provide goods or services to us.

If your marketing preferences allow, the Kent Reliance Group and its carefully selected third party partners may use your information to identify and contact you about offers, products or services it or they believe will interest you.

If you decide to become a member of the Provident Society (please see the section entitled “Becoming a member of the Provident Society”), we will provide your details to the Provident Society so that it can register you as a member and provide membership services to you. To find out more about membership of the Provident Society, please consult the rules of the Provident Society as adopted from time to time (the “Rules”). A copy of the Rules is available on request and/or at the Provident Society’s web page, www.kentreliaance.co.uk/provident-society. Details of how the

Provident Society uses your personal information when you decide to become a member are provided in the section entitled “Becoming a member of the Provident Society”.

If you have any questions about the Data Protection Act 1998 or your rights under it, please write to: Head of Compliance

Reliance House
Sun Pier
Chatham
Kent
ME4 4ET

Becoming a member of the Provident Society

Individuals who are 16 or over and corporate bodies (eg a company or limited liability partnership) are entitled to become members of the Provident Society (ie Kent Reliance Provident Society Limited) when they open an account with us.

The Provident Society is a Co-operative and Community Benefit Society. This is a form of mutual organisation that exists to benefit its members rather than outside shareholders. The Provident Society is the parent organisation of OneSavings Bank plc, connecting its members to the Bank and its business. This is done in part through a membership scheme, which allocates membership points according to the amount of members’ account balances with the Bank (and in relation to other specified transactions which members undertake with the Bank and other members of the Kent Reliance Group) which will determine the financial benefits to which members may be entitled. Further details on this scheme are provided at the Provident Society’s web page, kentreliaance.co.uk/provident-society, which also provides access to a range of offers, products and services for its members.

Please note that membership of the Provident Society is voluntary and you do not have to become a member of the Provident Society in order to take out a mortgage with us. However, please note that if you do not become (or cease to be) a member of the Provident Society, you will not be entitled to:

- receive notice of, attend and/or vote at any meetings of the Provident Society;
- any membership points (as described in the Rules, a copy of which are available on request and/or at the Provident Society’s web page at kentreliaance.co.uk/provident-society);
- any dividend or other distribution (if any) declared or paid by the Provident Society from time to time; or

- any other right or benefit which the members of the Provident Society, solely in their capacity as members, are entitled to under the Rules or otherwise.

How the Provident Society uses your personal information

The information which you provide to the Provident Society or which the Provident Society obtains through its dealings with you or in connection with your membership will be held by the Provident Society on its computers and in other records. The Provident Society will use your personal information to help it provide membership services to you, to deal with your enquiries and requests, and to improve the quality of its membership services, and may conduct an electronic search on you via the services of external agencies in order to confirm your identity and comply with money laundering regulations.

The Provident Society may also share your information with third parties to protect both itself and other members against theft or fraud. The Provident Society may also disclose your details where it is required to do so by law and to successors in title to its business, its service providers, appointed representatives and related entities (including members of the Kent Reliance Group) in order to provide the products and services you need. If your marketing preferences allow, the Kent Reliance Group and its carefully selected third party partners may use your information to identify and contact you about offers, products or services that it or they believe will interest you. Where the Provident Society transfers your personal information outside the European Economic Area, it will endeavour to protect your personal information in accordance with strict data protection standards.

If you have any questions about the Data Protection Act 1998 or your rights under it, please write to:

Kent Reliance Provident Society Limited
Reliance House
Sun Pier

Chatham
Kent
ME4 4ET
or email the Provident Society at members@krps.com.

Marketing material

When you open an account you can let the Kent Reliance Group know your marketing preferences and whether you would like to be updated about products and services that it thinks may interest you. To select what information you receive, please tick the relevant boxes on the application form. If you wish to change your marketing preferences you may do so at any time by writing to us at:

Your home may be repossessed if you fail to keep up repayments on this loan or any other debt secured on your property. If you miss payments on your loan your credit rating may be affected and this could mean that credit is either more difficult or more expensive to obtain in the future.

All loans are subject to availability, security and status and are available to those aged 18 or over. Written quotations available on request.