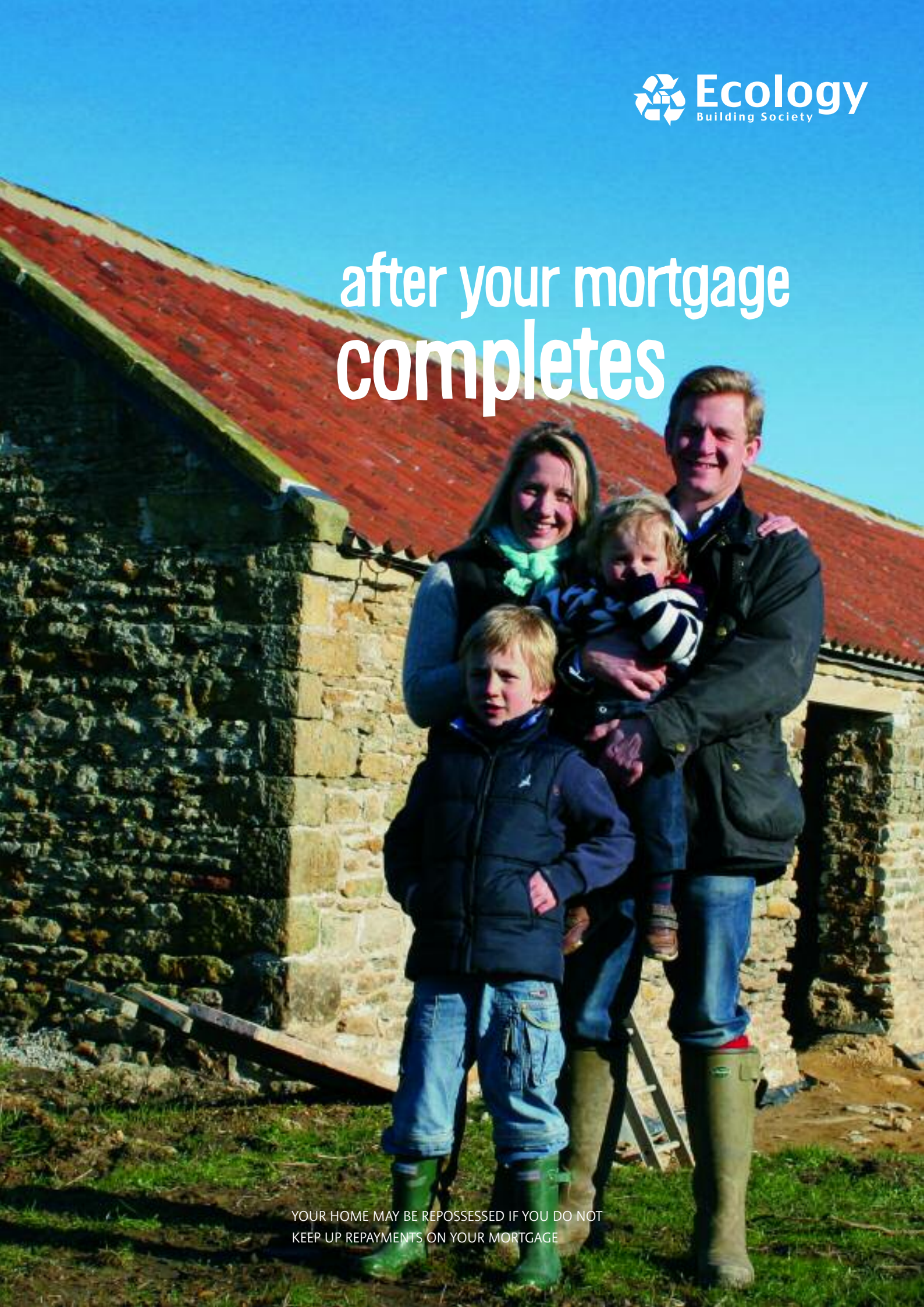


after your mortgage completes



YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT
KEEP UP REPAYMENTS ON YOUR MORTGAGE

Insurances

Buildings insurance

It's important that buildings insurance is in place in case of fire or other damage and our mortgages are conditional on appropriate cover being in place. All such insurance is normally arranged through our brokers. You may, however, tell us if you prefer to make your own insurance arrangements in which case an administration fee will be payable. Evidence that cover for the amount of the re-instatement value has been arranged and that the Society's interest has been noted on the policy may also be required before we can release the mortgage funds.

Contents insurance

Insuring the contents of your home is a sensible precaution and our broker can arrange a separate contents policy or a combined buildings and contents policy for you.

Life insurance

Unlike some lenders, we don't insist on compulsory life insurance. It is highly recommended, however, that all borrowers with dependents should consider insuring their life to give greater security to their family. We'll be glad to provide further information and arrange a quotation on request.

Payment protection insurance

Again, we don't insist this insurance is in place, nor can we arrange it for you. We can however, provide you with details of companies we know who offer this protection. If you would like further information, please let us know.



Your monthly repayments

Calculating your interest

We charge interest using a daily interest method. Interest is calculated on the balance of your account at the end of each day and added to the account at the end of the month. Your monthly payment is then used to pay off this interest so it does not become part of your debt.

If your account balance changes during the month, the interest is calculated on the revised balance straightaway. For example, any additional payment you make over and above your normal monthly payment will have the effect of immediately reducing the balance on which interest is calculated, reducing the total amount of interest charged over the term of the mortgage. Equally, if a fee is debited to the account, interest will be calculated on the increased balance until the fee is paid.

Remember that if any part of your mortgage is on an interest-only basis, that portion of outstanding debt won't be reduced by your monthly payments and interest will continue to be charged on the full amount. Whenever the interest rate changes, we'll apply the new rate from the date of the change and recalculate your monthly payment. We'll normally ask you to start making the revised payments by the end of the following month.

Making your monthly payments

In order to avoid late payment and the risk of a shortfall or arrears on your mortgage account, payments are collected by Direct Debit on the 25th of each month, or the earliest working day thereafter. If this date is inconvenient for you, we can arrange a different payment method and date for you.

We'll change your monthly payments and start to collect a revised Direct Debit from your bank once any of the following situations occur:

- There is an interest rate change
- You borrow more money from us by way of a further advance
- We agree to change the term (number of years) of your mortgage
- Upon renewal of your building insurance – where it's included in your monthly mortgage repayment
- You switch to a different type of mortgage (e.g. Buy-to-Let) or method of payment (e.g. interest-only)

- You make a capital repayment of at least £1,000 or the equivalent of three monthly payments (whichever is the lower). *You can always ask us not to reduce your monthly payments after you've made a capital repayment if you prefer.*
- We agree to accept revised payments because of a change in your circumstances

We'll not alter your monthly repayment if the change to your account balance is small, for example, if fees are debited in accordance with our **Tariff of mortgage charges** or if you make small capital repayments. An adjustment to take account of these will be made on the next occasion that payments are changed for any of the reasons mentioned above, or if we give you notice (perhaps at a year end) that a change has become necessary because your payments have been out of line for some time.

Payment of insurance premiums

Payment of buildings and contents premiums up front can amount to quite a large sum. However, if the insurance has been arranged through our broker, we can help you spread the cost, by paying the premium in full on your behalf and adding one-twelfth of the total cost to your monthly mortgage repayments.

Retention releases

If we have retained a portion of your mortgage, this will normally be released in stages as the value of your property increases. When you require to drawdown some or all of the retention, please contact the Mortgage Department for a *Release of retention* form. We may need to instruct the valuer to carry out a re-valuation of your property in order to calculate how much of the retention can be released. The monies can be sent to you or a third party, by cheque or bank transfer.

Borrowing more money later

You may consider making further improvements at some point and we are always prepared to consider further advances to help with future work. You may even need additional funds to complete the original improvements if the costs of these have proven greater than anticipated.

Monitoring works progress and condition compliance

We'll contact you approximately 12 months after mortgage completion to request an update on the progress of works. We want to ensure that your plans are progressing and the project will be completed on or

near the scheduled time. Updates on your property are vital for the application of discounts such as the C-Change discounts which can be applied immediately upon completion of the works/build.

Early repayment charges and additional payments

You can repay up to 10% of your current mortgage debt each month at any time and we'll immediately credit this to your account which means that interest will then be calculated on your reduced balance.

If the amount of the capital repayment is at least £1,000 or the equivalent of three monthly payments (whichever is the lower), we'll also reduce your monthly payment straightaway – unless you ask us not to do so. In respect of smaller capital repayments, we'll adjust your monthly payments on the next appropriate occasion (see *Making your monthly payments* in this leaflet).

If during the first four years of the mortgage, you repay your mortgage in full or you make capital repayments in any month totalling more than 10% of your current debt, we'll apply an early repayment charge of three months interest on the amount repaid, calculated at the rate applicable at the time. However, if this rate is higher than that which applied when you first took out your mortgage, we'll calculate the interest on the lower, original, rate.

This charge will be waived if repayment takes place following the death of either a borrower or a borrower's partner. It will also not normally be charged if you take out another mortgage with us where the new mortgage commences on the date of redemption of the original loan.

What happens if you move house?

In the future you may move. If the new property meets our criteria, we'll be pleased to help. If the Long term or Savers discount applies to your existing mortgage it can be transferred to your new residential mortgage.

You wouldn't have to pay an administration fee on the new mortgage and any early repayment charge you may have to pay will normally be waived or refunded if you take out another mortgage with us.

What happens if your circumstances change?

Conditions for underpayments and payment holidays

(for residential owner-occupiers)*

This facility is subject to the following requirements:

- The period for which the payment holiday or underpayment applies must be by prior agreement of the Society. We would normally expect to be able to give consent provided that you have complied with the relevant conditions applicable to your mortgage
- The arrangement must not exceed six months
- The cumulative period of any such arrangements during the life of the mortgage must not exceed twelve months
- The mortgage has been in existence for a minimum of one year
- No incidence of arrears in the previous two years
- Each arrangement must be preceded by six full contractual monthly repayments
- The mortgage must be less than 90% of the value of the home at the end of the agreed period
- All contractual repayments must be made by Direct Debit
- If underpayments have been agreed on an interest-only basis and there is a subsequent change in the interest rate during the period of underpayment then we'll ask you to amend the monthly payments accordingly

You should note that as a result of the payment holiday or underpayment period the balance outstanding will be higher than it would have been if normal payments had been retained. You will have to repay the increased mortgage debt and any extra interest due on it over the remaining mortgage repayment period. This means you'll see your monthly payments rise to take account of this. The Society will advise you before the end of the agreed period of the expected monthly payment which will subsequently apply.

No charge will be made for use of these extended facilities.

* This facility does not currently extend to our buy-to-let, housing co-operative or other commercial or corporate borrowers.

Financial difficulties

During the life of a mortgage, you may experience a change in personal circumstances (death of a partner, divorce, long term illness, loss of employment, etc). If this happens to you and causes financial difficulties, it might affect your ability to keep up your mortgage payments. The sooner you tell us of any difficulties, the more chance we have of being able to work out an arrangement with you to avoid further problems.

Guarding against financial difficulties

You may be able to insure against risks such as sickness, accident and unemployment. We'll let you have further information on request.



Ecology Building Society
7 Belton Road, Silsden, Keighley
West Yorkshire
BD20 0EE

T 0845 674 5566 F 01535 650780
W www.ecology.co.uk E loans@ecology.co.uk

Authorised and regulated by the Financial Services Authority