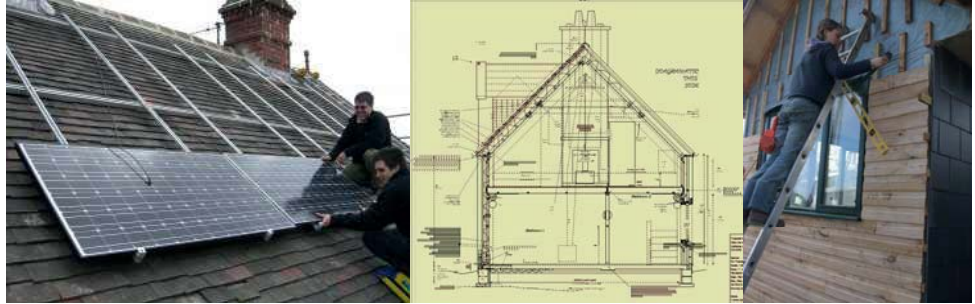


Additional borrowing

Applying for a further advance to increase your mortgage



For further information
Call - 01535 650 770
Email - mortgages@ecology.co.uk
or write to the address below

10/15



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Additional borrowing – how to increase your mortgage

Any extra money you borrow from Ecology, in addition to your original mortgage, is known as a further advance. If you wish to apply for additional borrowing, please contact our Mortgage Department and speak to one of our Mortgage Advisors.

What could a further advance be used for?

People increase their mortgage for many reasons. Ecology will consider additional borrowing in the following circumstances:

- to undertake general home improvements, such as improving insulation, a loft conversion, installing new energy efficient windows, an energy efficient boiler or central heating
- to install renewable energy systems such as solar water heating, photovoltaic cells, ground source heating, wind turbines, or water conservation measures such as reed bed water treatment or rainwater harvesting systems
- to convert or renovate existing outbuildings on your property to increase your living space or provide a home workspace for your business
- where there have been changes to the original renovation or construction plans resulting in increased costs.

These are just some of the situations where you may need to apply for extra funds. Please call the Residential Mortgage Department to discuss your specific requirements. **Remember to check whether you require planning permission or any other building consents before carrying out the intended works.**

How much more can I borrow?

The amount we can actually lend you will depend on an assessment of your ability to repay the mortgage. This means we will need to consider your income and outgoings to be sure you can afford the monthly repayments. If you want all or part of your mortgage to be on an interest-only basis (or have indicated that you intend to rely on your investments to help pay your mortgage), we will also need to check your savings arrangements.

For details of our loan-to-value criteria, please refer to our *Current residential mortgage rates and charges* leaflet.

For buy-to-let mortgages¹ we must ensure that the rental income exceeds the new monthly mortgage payments by at least 35%.

Will I need a re-valuation of my property?

We normally require a re-valuation in order to assess the current value of the property in relation to your mortgage debt. The re-valuation will be conducted by the original valuers where possible and is necessary where the last valuation is more than 12 months old (and

so is out of date) or where substantial renovation/conversion works have been completed since the last valuation, which will affect the current value. The illustration sent gives details of the estimated amount of the re-valuation fee and when it is payable.

Your total mortgage balance cannot exceed 90% of the revised property value for residential mortgages, and 70% for buy-to-let mortgages. Where substantial works are being carried out to the property you must supply a schedule of outline costings, which we will pass on to the valuer. From these costings the valuer will be able to provide an estimated completed valuation figure.

If you require funds that will take your total mortgage balance beyond 90% of the current value, then the further advance offer will be up to 90% of the estimated completed property value, with funds being released in stages as the works progress and the value increases. In this instance further re-valuations will be required to verify the increased value during the works.

Will my buildings insurance be affected?

When your property is revalued, the valuer will also provide us with a revised valuation figure for buildings insurance purposes. If this figure is greater than the existing level of cover, then we will ask you to increase the cover up to the figure recommended by the valuer and provide a copy of your revised building insurance schedule.

For those borrowers who have cover with the Society's insurers, we will arrange for the cover to be increased on your behalf. You will be contacted by the Society's insurers shortly after the re-valuation and they will confirm any additional premium payable for the increase in cover.

What happens if my circumstances change?

After the release of the additional borrowing, you could 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 with your increased mortgage payments. The sooner you tell us of any difficulties, the more chance we have of being able to work out an arrangement to avoid problems such as the loss of your property.

What happens if I move house?

You cannot keep this mortgage should you move to a new property. If you do take out a new mortgage with the Society it would be subject to our standard affordability and ecological lending criteria. Any early repayment charge you might have to pay will normally be waived if you take out another mortgage with us within six months of the repayment of the original loan.

When will I receive the offer?

We will be able to issue a further advance offer once we have been able to satisfactorily establish your income via an employer's or an accountant's reference, and have received a satisfactory re-valuation report (where necessary).

When you receive the offer please ensure you understand and can satisfy any special conditions which may apply. Please also ensure that it is signed by all borrowers who are party to the mortgage and then return it to the Society along with any documentation that may have been requested.

Once we receive the signed offer (and any requested documentation), the funds are normally sent out the same day and can, if you wish, be made payable to a third party e.g. a builder, or to only one party to the mortgage, so long as this has been specified on the offer. Alternatively, the funds may be transferred directly to your bank account, or released in stages if you require. When the funds are released we will confirm your new mortgage account balance, the new monthly repayments and when they are effective from. The application fee for arranging a further advance is stated in your illustration and is quoted in our *Current residential mortgage rates and charges* leaflet.

Solving problems

Our aim is to provide a high standard of service to all our borrowers. However, occasionally things can go wrong. When this happens, we want to put matters right as quickly as possible. We will handle any complaints which arise while you are borrowers fairly and speedily and will let you have details of our Internal Complaints Procedure on request. If we cannot resolve any complaint to your satisfaction, you will be able to refer it to the Financial Ombudsman Service.

Further details

Please refer to *Current residential mortgage rates & charges* for details on the charges which apply to your mortgage and further advance.

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

¹ Buy-to-let mortgages are not regulated by the Financial Conduct Authority.