

# Consumer buy-to-let mortgage

General information

## Consumer buy-to-let general information

### ■ The name and address of the Lender:

Paragon Bank PLC, 51 Homer Road, Solihull, West Midlands B91 3QJ

- Credit is provided for the remortgage of residential property. Capital raising may be considered for all purposes concerning the owning and renting of residential property.
- Security is required in the form of a first legal charge over a single self contained property in England, Wales or Scotland.
- Consumer buy-to-let mortgages are available for a minimum term of 5 years, and up to a maximum of 25 years.
- We offer a range of fixed and discounted rate consumer buy-to-let mortgages, where rates may be fixed or discounted for up to 5 years. Once the initial fixed or discounted period ends, the mortgage will revert to a variable rate for the remainder of the mortgage term.

We also offer variable rate mortgages, often referred to as Trackers, where the interest rate will vary during the term of the mortgage.

Further information about the interest rates which are currently available and how and when these may be varied can be found in the latest version of our Buy-to-let product guides, available from our website.

- We do not offer foreign currency consumer buy-to-let mortgages (including mortgages where repayment is made by the sale of assets held overseas).

- A representative example displays the typical costs associated with our mortgage products.

A representative example of the total amount of credit assuming a completion date of 31/12/16:

If you borrow £100,000 on an interest only basis, repayable over a term of 15 years plus a product fee of £1,000 which has been added to the loan (total amount of credit £101,000) you will repay £173,934.48 in total over the term. Total Cost of Credit £72,934.48, including valuation, application and telegraphic transfer fees estimated to be £475.00. These fees are included in the total cost of credit, but are not added to the loan. This is based upon a two year fixed rate product with 24 monthly repayments of £227.75 followed by 120 non-leap year repayments of £429.25 and 36 leap year repayments of £430.43. The overall cost for comparison is 4.9% APRC.

- There are a number of costs that are associated with a consumer buy-to-let mortgage which are not included in the total cost of credit:-
  - A service fee payable to the acting intermediary
  - Legal fees payable to a solicitor/conveyancer, the exact amount may depend on the value of the property
  - There will be a fee to register the mortgage
  - A contingency fee payable to the Lender for validation of buildings insurance
  - Any amount which is paid towards a repayment vehicle to repay the capital on an interest only mortgage
- We offer interest only, capital repayment and part interest only and part capital repayment (part and part) mortgages. Where an interest only or part interest only option is taken out, the borrower will need to make separate arrangements to repay the amount of mortgage owed at the end of the mortgage term. Where a capital repayment option is selected, the monthly mortgage payments will be set at such a level to ensure that the amount of mortgage is repaid at the end of the mortgage term.

- Compliance with the terms and conditions of the consumer buy-to-let mortgage contract does not guarantee repayment of the total amount of credit due under the contract. Where the borrower has an interest only mortgage, the full capital balance will remain outstanding at the end of the mortgage term. Separate arrangements will need to be made to repay this amount.
- The consumer buy-to-let mortgage may be repaid in full or in part at any time. If the mortgage is repaid early, an early repayment charge may become due. The amount of the charge will depend upon the type of product and when the mortgage is repaid. The offer of loan will clearly show whether an early repayment charge applies to the product selected, how long the charge will apply, and how that charge will be calculated. Depending on when the mortgage is repaid, there may also be a mortgage exit fee and deeds release fee payable.
- A security assessment and valuation report will be required to determine the suitability and value of the property for mortgage purposes. This will be arranged by the Lender and may be subject to a fee, which will be payable by the borrower, prior to the valuation being carried out.
- The borrower is not obliged to take any ancillary services from the Paragon Banking Group in order to qualify for a consumer buy-to-let mortgage contract. However, possession of suitable buildings insurance for the life of the mortgage is required. The borrower can choose to buy this insurance from any authorised insurer.
- Non-compliance with the obligations under the mortgage contract such as late payments or defaulting on the mortgage may result in additional costs to the borrower. Full details of these costs will be included in the terms and conditions of the mortgage offer of loan and the Tariff of mortgage charges. Failure to keep to the terms of the mortgage could result in an impaired credit record, which could make it more difficult to obtain credit in the future.

**If you fail to keep up with payments on your mortgage a receiver of rent may be appointed and/or your rental property may be repossessed. Should the property be sold, any shortfall would remain your responsibility.**

If you have any queries, more information can be found in our current Non-portfolio Lending guidelines, Buy-to-let non-portfolio product guides and Mortgage conditions, all of which are available on our website: [www.paragonbank.co.uk/btldocuments/intermediary](http://www.paragonbank.co.uk/btldocuments/intermediary)