



THE
FAMILY
BUILDING
SOCIETY

*Time to
start again*

THE LOW START MORTGAGE
HELPING FAMILIES MAKE A FRESH START

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The pattern of family life is rarely smooth for long, and every year many thousands of families hit serious turbulence. Big changes in your lives can lead to big changes in your budgets – maybe as a result of separation or divorce, or losing an income, or taking time off because you're having a baby, or a whole bunch of other reasons.

One way or another, it could well be that a Low Start Mortgage would be a big help while you adjust to your new situation – that's to say, one where the repayments are very low for the first couple of years before rising gradually back to a normal level and where you still repay the loan amount by the end of the term.

Whether you need to buy a new property, or want to remortgage your current home, the Low Start Mortgage does exactly this.

Your home may be repossessed if you do not keep up repayments on your mortgage.

HOW IT WORKS

THE LOW START MORTGAGE FROM THE FAMILY BUILDING SOCIETY STARTS WITH A STEPPED FIVE YEAR TERM, TO MAKE BUDGETING AS EASY AS POSSIBLE FOR THOSE ADJUSTING TO NEW FINANCIAL CIRCUMSTANCES.

For the first two years the mortgage is paid on an interest-only basis, keeping payments lower but not reducing the original amount of the loan.

There are five steps in total across the five years. The initial rate of interest is kept very low for the first six months, and whilst it increases from month seven and again from month 13, it still offers greatly reduced monthly payments for the first two years.

From the start of the third year, the mortgage is paid on a repayment basis with payments increasing accordingly. At this point your monthly payments are made up of both interest and capital.

However you should be aware that as you did not pay back any of the money borrowed in the first two years, the interest charged in subsequent years will be higher than if you had started repaying capital from the beginning. The low rates applying over the first two years are deliberately designed to keep your payments low during the time you are adjusting to a new household budget.

It might be because you are starting again after separation or divorce or because your income is likely to be lower for a period of time, perhaps during maternity leave.

You can borrow from £45,000 and the minimum property value is £125,000. As part of an assessment to check that you qualify for this mortgage, we ask some financial questions. We'll look at your payment records: mortgage, bills and maintenance payments.

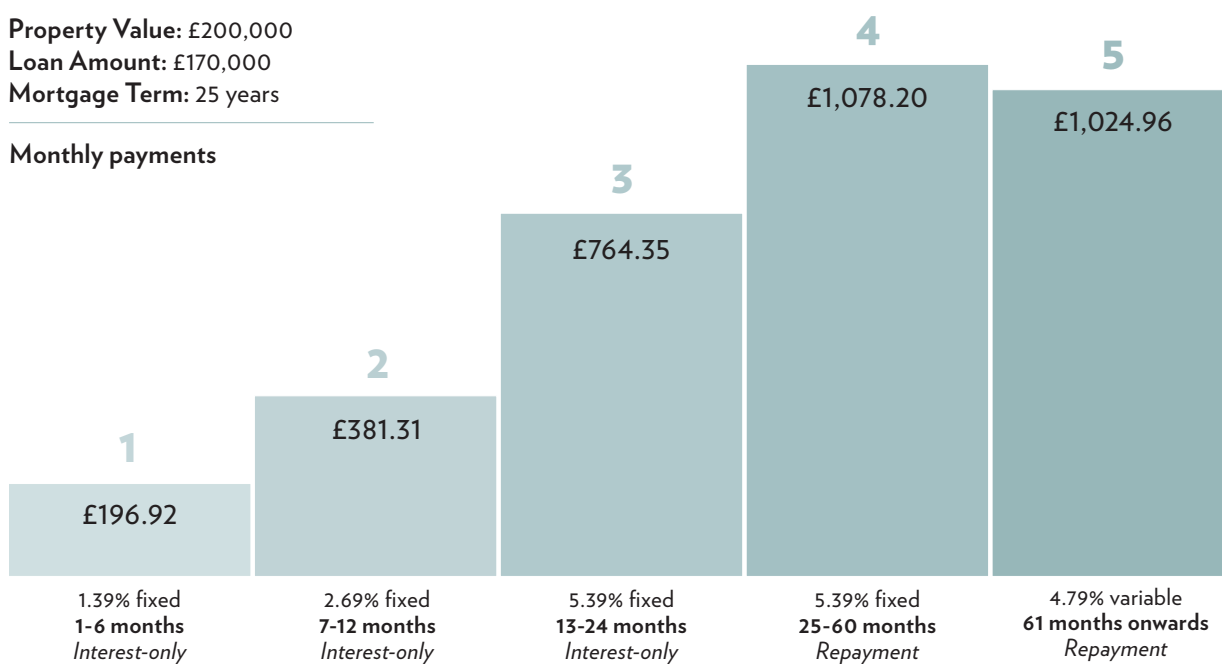
Example Low Start Mortgages

Property Value: £200,000

Loan Amount: £170,000

Mortgage Term: 25 years

Monthly payments



The overall cost for comparison is 4.9% APR.

The diagram uses interest rates which are purely for illustrative purposes.

HOW THE LOW START MORTGAGE CAN HELP



"We love staying with Dad...but we wish there was more room for our stuff"

START-OVER ON THE PROPERTY LADDER WITH A LOW START MORTGAGE

THE
Biggs
FAMILY
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Stephen Biggs is 48 and recently separated from his wife Laura. They have two lovely daughters, Katie and Ellen. Steve moved out of the family home not long ago and is now renting a small flat nearby. Things have changed a huge amount for Steve financially, but he's keen to get back on the property ladder to make life more comfortable when Katie and Ellen are staying. This is one hurdle we can help with.

Steve has enough money for a 10% deposit and wants to borrow 90% of the price of a much larger flat he's seen with space for the girls to stay over.

"I have been living in a very uncertain world for some time and I need to start again by putting some roots down"



“Considering the effect on our finances, what do you think we should call him?”

“Bill, obviously.”

CUT COSTS FOR A WHILE WITH A LOW START MORTGAGE

THE
Taworth
FAMILY
BUILDING
SOCIETY

Kim Taworth is a mother of one, her son Jack aged five. With a second child on the way and soon going on maternity leave, Kim knows she can expect much lower earnings until she goes back to work and wants to reduce the monthly outgoings for her and her partner Simon across the next year.

They both know all too well the extra costs involved in having a new baby, and finding a way of keeping their mortgage costs low across this period would be a big help with their new budgeting regime.

Both Kim and Simon have a good record in paying their mortgage so far, so they qualify to remortgage with a Low Start Mortgage from the Family Building Society.

“The most expensive thing you will ever get is a family”

A FEW QUESTIONS YOU MAY HAVE

A IS THERE A MORTGAGE ARRANGEMENT FEE?

Yes, there is an arrangement fee for the Low Start Mortgage.

B WHAT HAPPENS IF I WANT TO MOVE HOME DURING THE FIVE YEAR TERM?

Provided your new property meets our requirements you can transfer your Low Start Mortgage to another property for the amount that is outstanding at that time.

C WHAT HAPPENS IF I DECIDE TO MOVE MY MORTGAGE TO ANOTHER LENDER DURING THE FIVE YEAR TERM?

By moving your mortgage during the five year term you will incur the Early Repayment Charge on the amount outstanding.

D CAN I PAY OFF A LUMP SUM IF I FIND I CAN AFFORD TO?

Yes within the **Early Repayment Charge** period you can make capital repayments up to a maximum of 10% of your loan per year. You can do this, without incurring a charge, either as one lump sum or as smaller repayments of £500 or over. If the permitted 10% capital reduction is exceeded, an early repayment charge will be applied based on the excess capital repaid.

E DO I END UP PAYING MORE IN THE LONG RUN BECAUSE THE FIRST TWO YEARS ARE INTEREST-ONLY?

As no capital is paid off during the first two years, payments in the remaining years will be higher than if the mortgage had been on a repayment basis from the outset.

F WHAT HAPPENS AFTER THE FIVE YEAR TERM?

After five years the Low Start Mortgage will change to the Family Building Society Variable Managed Mortgage Rate. We will let you know in advance of this change so that you can move to another Family Building Society mortgage or to a different lender if you choose.

G IS THIS AVAILABLE FOR FIRST TIME BUYERS?

No, this mortgage is only available to previous or current mortgage holders. However, our Family Mortgage or Fixed Rate Mortgage may be suitable for your needs.

OUR HERITAGE

The Family Building Society has been set up for families juggling multiple financial situations. Things do seem more complicated these days and we're here to help. We're in touch with the worries and problems families face, making every effort to understand your individual situation. We'll listen and we want to hear from you.

As a mutual organisation we're not driven by shareholders or short term profits. We're part of National Counties Building Society which has been securely looking after people's money since 1896. We're continuing their excellent standards of customer service.

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Family Building Society is a trading name of National Counties Building Society which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.