



## Retirement Interest Only (RIO) mortgage product range

Available for purchase, remortgage, product switch and further advance to new customers over 65 years old and all intermediaries.

| Product name      | Fixed interest rate | Followed by our Managed Mortgage Rate, currently | The overall cost for comparison is | Product code |
|-------------------|---------------------|--|------------------------------------|--------------|
| 5 year fixed rate | 3.39%               | 4.39%  | 4.0% APRC                          | XFZ004       |

- 5 year fixed rate until 30/09/2025 of 3.39% followed by Family Building Society's Managed Mortgage Rate, currently 4.39% variable, for the remainder of the term
- Early Repayment Charges of 5% until 30/09/2021, 4% until 30/09/2022, 3% until 30/09/2023, 2% until 30/09/2024, 1% until 30/09/2025
- 10% overpayments per year allowed Early Repayment Charges free
- Application Fee: £175
- Valuation Fee: Free for properties up to £500,000. For properties over £500,000 a discount of £330 from the standard Valuation Fee scale applies
- A cashback of £250 is payable on completion of the mortgage
- Product Fee: £999 for loans up to £500,000. For loans above £500,000, 0.30% of the loan amount, payable when the mortgage starts
- Loans available for purchase or remortgage of borrower's main residence, product switches and further advances up to 50% LTV
- For remortgage applications we offer assistance with Legal Fees
- Available on an Interest Only basis
- Minimum loan amount £45,000 for new business. Maximum loan amount £3 million. For loans above £3 million individual pricing will apply
- The above fixed rate mortgage must complete by 01/10/2020. Completion deadline not applicable for product switches
- RIO Mortgages are only available on an advised sales basis

### Representative example:

The mortgage term used below is for illustration purposes only. This is a Retirement Interest Only Mortgage with no defined term.

A mortgage of £116,000.00 payable over 10 years initially on a fixed rate for 5 years at 3.39% and then on our variable Managed Mortgage Rate, currently 4.39% for the remaining 5 years, would require 64 monthly payments of £327.70 and 56 monthly payments of £424.11, plus one initial interest payment of £334.00.

The total amount payable would be £162,330.96 made up of the loan amount plus interest of £45,056.96, an Application Fee of £175, a Product Fee of £999 and a Mortgage Exit Fee of £100.

**The overall cost for comparison is 4.0% APRC representative**

(See overleaf for variable products)



## Retirement Interest Only (RIO) mortgage product range

Available for purchase, remortgage, product switch and further advance to direct customers over 65 years old and all intermediaries.

| Product name   | Initial interest | Followed by our Managed Mortgage Rate, currently | The overall cost for comparison is | Product code |
|--|------------------|--|------------------------------------|--------------|
| 0.95% variable discounted rate for term*                         | 3.44%            | 4.39%  | 3.7% APRC                          | XDZ003       |
| Product name   | Initial interest | Followed by our Managed Flexi Mortgage Rate,     | The overall cost for comparison is | Product code |
| 0.95% variable discounted rate for term with flexible features** | 3.54%            | 4.49%  | 3.8% APRC                          | XDZL03       |

- \*0.95% variable discounted rate for term, discounted from the Family Building Society's Managed Mortgage Rate, currently 4.39%. Minimum interest rate payable of 3.34%
- \*Early repayment charges of 3% in the first year, 2% in the second year and 1% in the third year. Charged on money repaid
- \* 10% overpayments per year allowed without Early Repayment Charges
- \*\*0.95% Variable discounted rate for term with flexible features, discounted from the Family Building Society's Managed Flexi Mortgage rate, currently 4.49%. Minimum interest rate payable of 3.44%. This product allows overpayments, underpayments, payment holidays and borrow back facility
- \*\*Early repayment charges of 3% in the first year, 2% in the second year and 1% in the third year. Charged on the original loan amount
- \*\* Overpayments allowed, Early Repayment Charges free where the mortgage is not fully redeemed  
Application Fee: £175
- Valuation Fee: Free for properties up to £500,000. For properties over £500,000 a discount of £330 from the standard Valuation Fee scale applies
- A cashback of £250 is payable on completion of the mortgage
- Product Fee: £999 for loans up to £500,000. For loans above £500,000, 0.30% of the loan amount, payable when the mortgage starts
- Loans available for purchase or remortgage of borrower's main residence, product switches and further advances up to 50% LTV
- For remortgage applications we offer assistance with Legal Fees
- Available on an Interest Only basis
- Minimum loan amount £45,000 for new business. Maximum loan amount £3 million. For loans above £3 million individual pricing will apply
- RIO Mortgages are only available on an advised sales basis

Representative example:

The mortgage term used below is for illustration purposes only. This is a Retirement Interest Only Mortgage with no defined term.

A mortgage of £116,000.00 payable over 10 years on a discounted variable rate for 10 years at 0.95% below our variable Managed Flexi Mortgage Rate and then on our variable Managed Flexi Mortgage Rate, currently 4.49%, would require 119 monthly payments of £342.20 and 1 monthly payments of £433.44, plus one initial interest payment of £348.82.

The total amount payable would be £274,778.06 made up of the loan amount plus interest of £157,504.06, an Application Fee of £175 which includes the Valuation Fee, a Product Fee of £999 and a Mortgage Exit Fee of £100.

**The overall cost for comparison is 3.8% APRC representative.**

THE MORTGAGE WILL BE SECURED ON YOUR HOME

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

For customer enquiries, please contact our New Business Team on **03330 140140**

For intermediary enquiries, please contact our Mortgage Desk on **01372 744155**

This mortgage product has limited funds available and may be withdrawn at any time. Our RIO mortgages are available to applicants aged 65 and over for properties in England or Wales.

This information should be read in conjunction with our 'Getting a Mortgage: what you need to know' guide', which provide important information about our mortgage services.

Family Building Society is a trading name of National Counties Building Society which is authorised by the Prudential Regulation

## Retirement Interest Only (RIO) mortgages

**This document provides you with a summary of important information about our RIO mortgages. If you have any questions, please speak to your mortgage advisor.**

### Interest Only

Our RIO mortgages are available on an Interest Only basis only. This means the monthly payments will go towards repaying the interest charged and not the money which was originally borrowed (the capital). There is no roll up of interest and the mortgage is repayable on the occurrence of the earlier of the following life events for you, or where there are joint borrowers each of you:

- move out of the property to live elsewhere and you have no reasonable prospect of moving back (e.g. you move into care).
- purchase or move into a new property which will be your main residence or you no longer use the property as your main residence.
- sell the property.
- pass away, or where there are joint borrowers, the passing away of the last occupying borrower.

### Term

There is no fixed end date for RIO mortgages. The mortgage becomes repayable on one or more of the specified life events (see Interest Only section above). The term used for illustrative purposes will be based on a ten year period unless you specify an alternative term for us to use.

You can choose to repay the mortgage at any time but this will be subject to any applicable Early Repayment Charges and/or mortgage Exit Fee.

### Sale of property

Repayment of the mortgage is triggered by one of the above life events, and the proceeds from the sale of your home will be used to repay the mortgage balance and any accrued interest. This may reduce the value of your estate and the amount your beneficiaries will inherit. You may wish to talk to your family and other possible beneficiaries before taking out this mortgage.

Should the outstanding loan exceed the sale proceeds, then the balance of the remaining loan will still need to be paid, for example, from your savings, other assets or your estate.

### Registered contact

Under the terms and conditions of all our RIO mortgages, we require you to nominate a registered contact as part of the mortgage application. A suitable registered contact is required for the life of the mortgage. This person, or persons, will be the point of contact with us if we are unable to contact you. If the registered contact is to be removed at the request of either yourself or the contact, a suitable replacement should be provided before this can happen. If this happens, your new registered contact will need to complete the RIO Registered Contact Declaration form. Where this is initiated a new registered contact declaration form must be signed.

The registered contact is not responsible for any obligations in respect of the mortgage. They will be provided only with information relating to the mortgage in the event we are unable to contact you and will not be able to transact or instruct changes.

You should refer to the RIO Registered Contact Declaration form for further details on conditions and responsibilities of both yourself and your registered contact. This declaration should be signed and returned to us along with the mortgage application form.

The nomination of a registered contact will no longer be valid if you become unwell and/or are unable to manage your account. . You may wish to consider making a Lasting Power of Attorney to appoint someone to help you make decisions or to make decisions on your behalf if you are unable to do so.

## **Changes to personal circumstances**

Having a RIO mortgage is a long term commitment and you should consider how possible future circumstances such as increased spending on medical / care costs or interest rate rises may affect your ability to keep up with the mortgage payments. Similarly, you should consider how making the mortgage payments may impact your ability to afford any potential future needs, such as additional care costs.

If during the life of the mortgage you get into financial difficulty, and are unable to afford your mortgage repayments you should contact us as soon as possible to explore alternative options. These options will depend on what products we have on offer at the time but may include equity release, Joint Mortgage Sole Owner arrangements or payment holidays. If after thorough exploration none of the options are suitable for your circumstances, you will be required to sell your home and use the sale proceeds to repay the mortgage. If you are either unable or unwilling to sell your home we will be entitled to issue repossession proceedings.

### **Advice**

You are required to receive advice on the suitability of a RIO mortgage either from our in house advice team or your intermediary. As part of the advice process you will need to discuss any entitlement you may have (if any) to means – tested benefits and your tax position and whether the benefits of a RIO mortgage impact your eligibility to these benefits or tax position. Where you are receiving in house advice you will be referred to an external source such as the Pension Service, HMRC or Citizens Advice (or other similar agency) to establish the information needed.

### **Lifetime Mortgage**

A RIO is not a lifetime mortgage. A lifetime mortgage may be available and more appropriate for your financial and personal circumstances. If you have any questions about this, please speak to your mortgage advisor.