

HELPING
**UNDERSTAND
YOUR
MORTGAGE**
HAPPEN

 **YORKSHIRE
BUILDING SOCIETY**
Helping real life happen

WELCOME TO YORKSHIRE BUILDING SOCIETY

**AT YORKSHIRE
BUILDING SOCIETY
THE THINGS WE CARE
MOST ABOUT ARE
YOU AND YOUR
FINANCIAL NEEDS**

As an independent mutual building society we don't need to answer to external shareholders. Our priority is and always will be our members.

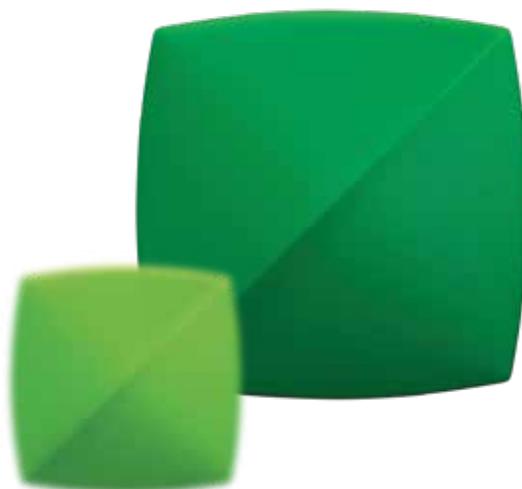
We're passionate about delivering genuine good value by providing excellent products, outstanding personal service and treating all our customers fairly. So whatever you're looking to achieve with your mortgage, we'd like to help.

We're committed to providing a dedicated service via our call centres based in Yorkshire and our customer-friendly website – so you can choose the most convenient method of dealing with us.

What's more, as we're one of the UK's largest mutual organisations, with more than 3.5 million members, you can trust us to look after your money.

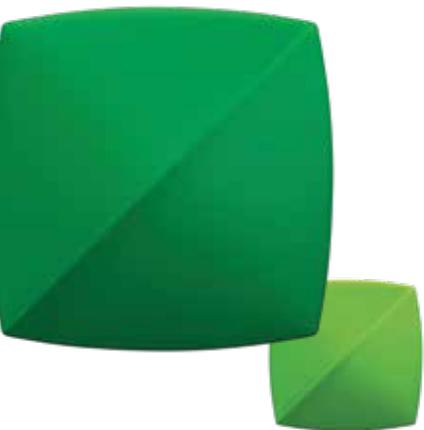
At the heart of your community

We believe it's important that we play an active part in the communities where our members and staff live and work. That's why we support thousands of charities and good causes via the Yorkshire Building Society Charitable Foundation. Much of the Foundation's funding comes through our members' generosity by participating in our unique Small Change Big Difference® scheme where you can donate the pence from your annual interest to supporting its work.



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ABOUT THIS BOOKLET

This booklet sets out all the information that you may need to understand how your mortgage works from the time you get a mortgage offer to repayment. It also covers a wide range of events that may occur during the term of your mortgage.

Please read this booklet carefully and keep it in a safe place, together with your other mortgage documents so you can use it for reference whenever you have any queries.

Administrative procedures may change during the life of your mortgage for various reasons, such as making the administration more efficient. You will not always be notified of changes in procedures. If you are unsure about any aspect of your mortgage at any time please do not hesitate to contact us.

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



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 **0345 1200 200**
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NOW YOU HAVE A MORTGAGE OFFER

In this section we will look at:

- What happens next?
- Who to contact if you have a query
- Why we may hold back part of your loan
- Loans Administration Fee Tariff
- Your first payment and initial interest
- CHAPS
- Higher Lending Charge
- Delayed completion
- Monthly payment and date
- Payment methods.

What happens next?

You should check your mortgage offer and all the loan terms and mortgage conditions carefully to ensure you understand them because the terms in these documents form the legal contract between you and us.

Our legal adviser (who may also act on your behalf) will request the funds from us when your mortgage is ready for completion or settlement. Completion refers to the legal transfer of the property so that you own it. In the case of a remortgage, completion refers to the start of your mortgage with us. It also refers to the actual time that we pay over the money we are lending to you to purchase your home or transfer your borrowing in the case of a remortgage. In Scotland, completion is known as settlement.

Once your mortgage has completed you will be sent a letter detailing your first payment, your monthly payment and the dates on which they become due.

Who to contact if you have a query

If you have any new queries about your mortgage, you can:

 **CALL OUR CUSTOMER CONTACT CENTRE ON 0345 1200 200**

Refer to website for opening times

 **VISIT YOUR NEAREST BRANCH FOR MORE INFORMATION**

Alternatively you can write to:

 **MORTGAGE SERVICE, YORKSHIRE HOUSE, YORKSHIRE DRIVE, BRADFORD BD5 8LJ**

 **FAX US ON 01274 734240**



Tariff of Mortgage Charges

Throughout this booklet, there are references to various administration fees. The level of fees is set out in the loans administration fee also known as "Tariff of Mortgage Charges" enclosed with your mortgage offer.

You will be notified of any changes in the level of fees or any new fees when you receive your annual statement. Since the level of fees may be subject to change from time to time, you should obtain an up-to-date copy of this tariff whenever you wish to make a change to your mortgage.

If you have an Offset mortgage you will also be notified of any increases in the level of fees or any new fees at least 30 days before they take effect.

Find out

To find out if something will incur a charge, simply call our Customer Contact Centre on 0345 1200 200.

Your first payment and initial interest

You will receive a letter after completion that will show your first payment. This payment will be made up of initial interest and will be due immediately.

Initial interest is the interest charged from the last working day before the completion date – as notified to us on our legal adviser's certificate of title – to the end of the calendar month in which interest charging commences.

If you have not completed a Direct Debit instruction form, you can make your first payment over the phone by calling our Customer Contact Centre on 0345 1200 200, or use Faster Payments. Alternatively you could send a cheque as detailed in your first payment letter. This letter will be sent to you after completion.

If you have completed a Direct Debit instruction form, your first payment will be collected 14 days after the last working day before the completion of your mortgage.

Depending on the date your monthly payment becomes due, your first payment and your first monthly payment may be collected by Direct Debit at the same time. Please read the section 'Monthly payment and date' on page 9 to see if this applies to you.

If you have an Offset mortgage, the initial interest payment will not take into account the balance on any Offset savings account.



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CHAPS (Clearing House Automated Payment System)

The CHAPS method is used to transfer the funds electronically through the banking system for immediate clearance, rather than being issued by cheque.

The fee for using CHAPS is called a "Funds Transfer Fee". Please see your mortgage offer for more details of this fee.

Higher Lending Charge

Where a loan exceeds a certain percentage of the purchase price or valuation (whichever is the lower) there is increased risk to us. To cover against this risk, a Higher Lending Charge is payable.

Delayed Completion

If there is a delay in completion of your mortgage, our legal adviser should return the funds to us by CHAPS within one working day of the original completion date to avoid interest being charged.

If you have an Offset mortgage, in the event that completion is delayed and there is a balance held in an Offset savings account, no interest will be paid on this balance.



Monthly payment and date

Your monthly payment, and the date on which it is due, will be shown on the letter sent after completion.

For a repayment mortgage your monthly payment consists of both a portion of the capital borrowed and also interest and may include any insurance premiums that are payable to us, but exclude any life insurance premiums. For interest only your monthly payment consists of the interest on the amount borrowed and you will still need to repay the original amount borrowed at the end of the term. Please refer to your mortgage offer and see also the section headed 'What will it cost?' on page 12 for further information.

Your first monthly payment will be made up of initial interest and will be due immediately. Please read the section 'Your first payment and initial interest' on page 7.

The date your remaining monthly payments become due will depend on the payment date you requested on your mortgage application form. If you did not specify a date, payments will be due on the first day of each month. The second monthly payment will become due in the calendar month after the loan is sent to our legal adviser.

For example, if your mortgage completed on Friday 24 June the table below shows when your payments would be due according to the payment date you requested on the application form.

Payment date requested on application	First payment (initial interest) due (date your mortgage completed)	First payment collection date if paid by Direct Debit	Second payment due date	Second collection date if paid by Direct Debit	Monthly payment collection date from then on
Not specified	24 June	7 July	1 July	1 July* (see below)	1st of every month
15th of each month	24 June	7 July	15 July	15 July	15th of every month
24th of each month	24 June	7 July	24 July	24 July	24th of every month
28th of each month	24 June	7 July	28 July	28 July	28th of every month

* There will be insufficient time in this case to collect the first monthly payment on the due date. In this case the payment would be collected 14 days after the last working day before the completion date, i.e. 7 July.

If you completed a Direct Debit instruction form, all your monthly payments will be collected by this method. When there is insufficient time to collect the first monthly payment by the due date, it will be collected 14 days after the last working day before the completion date. This is in order to comply with the rules of the Direct Debit system, which require us to give your bank adequate notice of the first collection.

You will be notified of this arrangement in the letter that advises you of your first payment.

If you have chosen a repayment mortgage and a preferred payment date which is later in the month than the anniversary date of completion of your mortgage, this may result in an increase in your monthly payment at the next Account Review. This is because your preferred payment date may result in there being one less payment of capital before the end of the mortgage term.

Payment date change

If you wish to change your payment date, contact our Customer Contact Centre to make the necessary arrangements (see 'Payment methods' below). If you pay by Direct Debit, you must give us at least 4 working days' notice of the change.

Payment methods

Direct Debit

Direct Debit is the easiest way to make your payments and offers two main advantages:

- You don't have to remember to make your mortgage payments. We will collect the payments from you through the banking system
- If your mortgage payment changes, you won't need to notify your bank. The amended amount will be collected automatically.

All banks and building societies offering the Direct Debit scheme give a guarantee that:

- If the payment date or the amount to be paid changes, you will be told of this in advance
- If an error is made by us or the paying bank or building society, you are guaranteed a full and immediate refund of the amount paid from the paying bank or building society

If you receive a refund you are not entitled to, you must pay it back when we ask you to

- A Direct Debit can be cancelled at any time by writing to the paying bank or building society.

Where your payment becomes due on a weekend or Bank Holiday, it will be received by us on the first working day after the due date.

Interest charges will increase on your account if you are late with, or miss, any payments.

Adjusting your Direct Debit details

During the mortgage term, you may wish to amend your Direct Debit. You can:

- Amend the date the Direct Debit is collected, perhaps because the date your salary is paid has changed.

If you have chosen a repayment mortgage and changed your preferred payment date to a date which is later in the month than the anniversary date of completion of your mortgage, this may result in an increase in your monthly payment at the next Account Review. (See 'Account Review'). This is because changing your payment date may result in there being one less payment of capital before the end of the mortgage term.

The latest date to which we are able to amend the collection date is the 28th of each month. The change in date must not result in a monthly payment being missed.

- Amend the amount that is collected, subject to our agreement
- Amend the details of the paying bank or building society. You can do this by calling our Customer Contact Centre.

We will need to give your new bank or building society 9 working days' notice before making any collections based on your new details. Any payments due during the nine-day notice period must be made by another method, for example by cheque.

Please note that Direct Debit collections are initiated 3 working days before the collection is due. Consequently, it is not possible to alter a Direct Debit collection within this 3-working day period.

Cancelling your Direct Debit

If you wish to cancel your Direct Debit, please write to the paying bank or building society. You must then send a copy of your request to cancel to Mortgage Service, Yorkshire House, Yorkshire Drive, Bradford BD5 8LJ or call our Customer Contact Centre. We must receive your instruction at least four working days before your next payment date to avoid collection being made on that day.

Unpaid Direct Debits

If we attempt to collect a Direct Debit from your bank or building society when there are insufficient funds in your account to make the payment, your bank or building society will return it marked 'refer to payer'. Whilst we will not charge a fee the very first time a Direct Debit is return unpaid marked 'refer to payer', a charge to your mortgage account will be made on any further occasion this happens.

Interest will be charged on the fee on a daily basis and added to your mortgage account from the date the fee is applied. For more information on fees, please refer to page 7.

Where a Direct Debit is returned unpaid marked 'refer to payer' on two consecutive occasions, we will cancel the Direct Debit and will try to contact you to discuss whether Direct Debit is the most appropriate method to pay your mortgage.

Alternative payment methods

It may be possible to make payments by other methods. These include:

- Cash, cheque or Banker's Draft at one of our branches or agencies
- Cash, cheque or Banker's Draft at your bank using a bank giro paying-in book
- Standing order
- Faster payments via debit card using our 24 hour phone service.

Payments by cheque or Banker's Draft will not reduce the balance on your account until they've cleared – two working days after receipt.

Contact us

If you have any queries about your Direct Debit, or require a copy of the current Loans Administration Fee Tariff, also known as Tariff of Mortgage Charges, please contact our Customer Contact Centre on 0345 1200 200.



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WHAT WILL IT COST?

In this section you will find information on:

- Repayment (capital and interest) mortgage
- Interest-only mortgage
- Part and part mortgage
- Protecting your loan
- Your mortgage product.

Repayment (capital and interest) mortgage

Your monthly payment consists of both interest and a portion of the capital borrowed and may include any property insurance or mortgage payment insurance premiums payable to us. The proportion of capital depends on the length of mortgage term chosen and the interest rate applicable.

Over the mortgage term, the capital element of the mortgage payment you make increases and the interest element of the mortgage payment you make reduces. This results in the gradual reduction of the mortgage balance owing.

Your monthly payment will be recalculated annually to take account of any changes in interest rates, insurance premiums or to recover any unpaid fees or interest (excluding arrears) arising during the previous year.

The interest charged is calculated daily. Consequently any capital repaid each month reduces the interest charged on your account (see 'How mortgage interest and payments are calculated' on page 15).

Repayment strategies

On expiry of the mortgage term you must repay the loan in full. It is important that you make sure the repayment strategy you have chosen will generate enough money to pay off your loan as a general investment or endowment policy is not guaranteed to repay your loan.

Interest-only mortgage

Your monthly payment consists of interest and may include any property insurance or mortgage payment insurance premiums payable to us. The balance outstanding on your loan will not reduce as no capital is repaid each month.

You must ensure that you have suitable arrangements to repay the loan in full at the end of your mortgage term. There are various ways to ensure this happens. These are called repayment strategies which could be one or more of the following: general investments, existing endowment policies, overpayments, sale of main residence and downsizing. The means of repayment must be agreed with us before we make the loan to you. The premium for any general investments or existing endowments policy is payable to the product provider and will not be included in the mortgage payment to us.

The interest element of your monthly payment on completion of your new mortgage is calculated by projecting a full year's interest on your loan based on the rate applicable at completion, and dividing this by 12.

Your monthly payment will be recalculated annually to take account of any changes in interest rates, or to recover any unpaid fees or interest (excluding arrears) arising during the previous year (see 'How mortgage interest and payments are calculated' on page 15).

Repaying your loan using general investments

This is where the loan is paid by general investments and you are responsible for making a separate payment to the general investments provider. Your mortgage payment to us does not include any general contribution towards those general investments.

We will require the general investments proceeds to pay off your loan on expiry of the mortgage term. If the general investments proceeds are not sufficient to pay off your loan, you will remain liable for the shortfall between the general investments proceeds and the loan. You will need to pay this in full before your mortgage can be redeemed. Interest will continue to be charged on any shortfall on a daily basis until the balance is repaid.

Repaying your loan using an existing endowment policy

This is where the loan is repaid by an endowment policy, which is a combined life insurance and investment policy. You are responsible for making a separate payment in respect of the endowment policy premiums direct to the policy provider. It is important that endowment policy premiums are maintained to ensure full cover. Please note your mortgage payment does not include the endowment policy premium.

On expiry of the mortgage term we will require the endowment policy proceeds to be used to pay off your loan. If the endowment policy proceeds are not sufficient to pay off your loan, you will be liable for the shortfall between the endowment proceeds and the loan. You will need to pay this in full before your mortgage can be redeemed. Interest will continue to be charged on any shortfall on a daily basis until the balance is repaid.

Overpayments

This is where you will make at least one extra payment to your mortgage per year in order to reduce the capital amount of your mortgage.

During your mortgage discussion, our qualified Mortgage Advisers will help you calculate the amount you need to overpay each year to ensure your mortgage remains affordable whilst also ensuring that the capital is repaid by the end of your mortgage term.

Sell main residence and downsize

This is where you will sell your property and downsize in order to repay the capital at the end of the mortgage term. One of our qualified Mortgage Advisers will be happy to discuss the circumstances for this to be an acceptable repayment strategy.



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Repaying your loan using an alternative repayment strategy

This is where no specific policy or investment is in place, and the intention is to use another source to repay the loan at the end of the term. An example of this could be where there are plans to sell the property, or to make overpayments throughout the term to repay the capital. Any alternative repayment strategy must be feasible and acceptable to the Society.

It is your responsibility to ensure that at the end of the mortgage term there are sufficient funds to repay the outstanding capital.

Part and part mortgage

This is a combination of the interest-only and repayment (capital and interest) methods referred to on page 12. For example, you may have an endowment policy that does not cover the whole of the loan. The remaining balance can be placed on a repayment mortgage basis.

Protecting your loan

Whatever repayment method you have chosen, you should make sure there is sufficient life cover in place to repay your loan in the event of your death. Any life insurance premium is payable to the insurer and is not included in your mortgage payment to us.

Your mortgage product

You will have been issued with a factsheet explaining your mortgage product and a mortgage illustration. If you cannot find these, copies are available upon request.

The terms and conditions applicable to your mortgage product are set out in your mortgage offer. Please ensure you read these carefully and retain them for future reference. If you have been offered a special introductory rate, for example, a fixed rate, tracker, discounted rate or capped rate, the terms and conditions will be specific to that product.

Your mortgage account is subject to our Account Review system (see 'Account Review' on page 17). This means your monthly payment can change even if you have a fixed rate mortgage. For example, changes in insurance premiums, or the recovery of unpaid fees can all affect your payments.

We will write to you before the end of the introductory period relating to any special product to inform you of your new monthly payment. The interest rate applied at the end of the initial period will be referred to in your mortgage offer.



HOW MORTGAGE INTEREST AND PAYMENTS ARE CALCULATED

In this section you will find information on:

- Daily interest charging
- Interest rate changes
- Account review
- Annual statement.

Daily interest charging

Interest is calculated daily on your entire loan – that is the balance shown on your account – and is charged to you at the end of each day. This means the interest is added to the loan on which you will pay interest the following day. In other words it is compounded daily.

Balance on 1 October:

£40,000 (Interest rate: 7%)

Interest for 1 October:

$$\frac{£40,000 \times 7\%}{365} = £7.67$$

Balance on 2 October:

£40,000 + £7.67 = £40,007.67

Interest for 2 October:

$$\frac{£40,007.67 \times 7\%}{365} = £7.67$$

Balance on 3 October:

£40,007.67 + £7.67 = £40,015.34

Interest for 3 October:

$$\frac{£40,015.34 \times 7\%}{365} = £7.67$$

Balance on 4 October:

£40,015.34 + £7.67 = £40,023.01

Interest for 4 October:

$$\frac{£40,023.01 \times 7\%}{365} = £7.68$$

Payment made by Direct Debit
on 5 October £233.33

Balance on 5 October:

£40,023.01 + £7.68 - £233.33 = £39,797.36

Interest for 5 October:

$$\frac{£39,797.36 \times 7\%}{365} = £7.63$$

Balance on 6 October:

£39,797.36 + £7.63 = £39,804.99

As interest is charged on your loan on a daily basis, the earlier in the month you pay, the less interest there will be charged to your account.

Because cheques do not reduce your balance until the expiry of the two-working-day clearance period, any cheque payments will need to reach us at least two working days before your payment due date.

Interest charges will increase on your account if you are late with, or miss any payments.

In the above example, for instance, you would be charged a total of £237.28 in interest during October. If you missed your monthly payment, in this example due on the 5th, the interest charged for the month would be £238.49. You would be charged an extra £1.21 interest for that month because of the missed payment.

If you have an Offset mortgage, details on how your mortgage interest is calculated are shown on page 46.

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Interest rate changes

You will be notified of any changes to our Standard Variable Rate. We announce the changes in local regional or national newspapers of our choice. Details of changes in our interest rates are also available from your nearest branch, by calling our Customer Contact Centre or on our website www.ybs.co.uk.

Where the interest rate applicable to your mortgage is set with reference to the Bank of England's base rate, changes resulting from an increase or decrease in the Bank of England's base rate will be implemented by the 15th day of the month after the month in which the Bank of England base rate changes. We will only write to you with details of payment changes at your annual Account Review. See page 17 for details.

Depending on the timing of the rate change compared to the next payment or Account Review, you may overpay interest (in the event of a rate reduction) or underpay interest (in the event of a rate increase). Any underpayment of interest will cause an increase in the outstanding balance at Account Review (see overleaf) causing your monthly payment to increase to make up the shortfall. The shortfall will be recovered over the life of the mortgage on a repayment basis.

Monthly payment amends

If you would like your monthly payment to be amended after a particular rate change rather than waiting until the next Account Review, please write to Customer Service Centre - Mortgages or call our Customer Contact Centre on 0345 1200 200.



Account Review

Your monthly payment will normally be recalculated once a year. This means your payment will normally remain the same for a period of 12 months irrespective of any changes in the interest rate on your account during that period. If however, a fixed, tracker or discounted rate of interest that has not been taken into consideration in the Account Review expires within the 12-month period, a new payment will be calculated.

This account review system makes it easier for you to budget, since your monthly payment does not usually change more than once in every 12-month period.

Your monthly payment is amended from March each year but is based on the balance, interest rate (including any future changes known at that time) and the remaining term applicable as at 1 January that year.

If you have taken one of our Offset mortgages and you have opted for Option 1 - reduced current payments (see page 43) the review will total the balance on any Offset savings as at 31 December (including Offset Plus, see page 52). The Account Review assumes that this balance will remain during the next review period, and uses this to recalculate the new monthly payment.

In all cases, the recalculated payment will take account of any other changes in your account balance that may have been caused by:

- Unpaid fees added to your account
- Unpaid interest caused by late payments or interest rate increases part-way through a review period
- Overpaid interest caused by early payments or interest rate reductions part-way through a review period
- Changes to insurance premiums
- Additionally in the case of an Offset mortgage, the impact of any deposit or withdrawal from your Offset savings account and from any Offset Plus savings account.

You will be charged interest on a daily basis on these sums and we will recalculate your payment once a year to recoup any outstanding amounts over the life of the mortgage on a repayment basis.

Any amount exceeding the original loan may not be covered by your existing life assurance arrangements.

Account review queries

If you have any queries please call our Customer Contact Centre on 0345 1200 200.



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Fixed, tracker or discounted rate

If your mortgage is on a fixed, tracker or discounted rate, you will still be subject to Account Review, and you will be notified of a new payment which will apply from March each year.

Payments on fixed rate mortgages may still vary each year, for example, due to the recovery of unpaid fees, changes to your insurance premiums or the day of the month you pay.

When your introductory rate period ends you will be notified of your new monthly payment at that time.

Arrears outstanding at 31 December

Your new monthly payment does not include the repayment of any arrears, which may show on your statement. A separate arrangement for the repayment of arrears would need to be made with our Mortgage Collections and Recoveries Department by telephoning 0800 138 2402, refer to website for opening times.

Annual Statement

Statements are produced in January each year and show details of transactions made in the previous year together with the new monthly payment due from March.

If you have an Offset mortgage, the total balances of linked savings accounts (including Offset Plus balances) will be used to reduce the mortgage balance for the purposes of calculating interest.

Statements are important documents and should be retained in a safe place for future reference. Duplicates may be requested at any time by calling our Customer Contact Centre.

Duplicate statements

A charge is payable for duplicate statements. For more information on fees, please refer to page 7.



FLEXIBILITY NOW AND IN THE FUTURE

In this section you will find information on:

- Moving home
- Overpayments
- Using overpayments to reduce your mortgage term
- Paying money in
- Underpayments and payment holidays
- Refund of overpayments
- Applying for additional borrowing
- Changes of address
- Changes in name or marital status
- Changes in the use of your property
- Letting your property
- Changing your mortgage repayment method
- Changing your mortgage term
- Changing your mortgage product
- Changing the borrowers on a mortgage (Transfer of Equity)
- Providing the Title Deeds or copy documents to your legal adviser
- If a borrower dies
- Certificate of Interest
- Removing a guarantor
- Alterations to your property
- Selling part of the mortgaged property
- If your property is subject to a Compulsory Purchase Order
- If events covered by the Land Compensation Act affect your property
- If arrears of ground rent or service charge payments are notified to us (leasehold properties).

Moving home

In the future if you decide to move home, in most cases you can take your current product with you (this is called portability), provided you and the property you are buying meet our existing lending criteria at that time. See 'What happens to your current mortgage if you move home – the portability option' on page 38.

Overpayments

You may make overpayments either as regular additional payments or as lump sums. The maximum amount by which you can overpay in any one year without incurring any Early Repayment Charges will usually be restricted to a certain percentage of the outstanding balance.

Please note that any overpayment (either lump sum or regular additional payments) which exceeds the permitted overpayment amount will mean that Early Repayment Charges are payable.

Some products, such as fixed, tracker and discounted mortgages, may have Early Repayment Charges.

Overpayment restrictions

Please refer to your product factsheet and mortgage offer for full details of overpayment restrictions and Early Repayment Charges.

Overpayments will be credited to your account on the same day, therefore reducing your account balance straight away. Because interest is charged daily, you will gain an immediate reduction in your interest charges. If overpayments are made by cheque, however, they will not reduce the balance until the cheque has cleared.

If you wish to make a **lump sum payment** to your mortgage, you need to consider whether you wish us to reduce your monthly payment immediately to reflect the lower amount of interest that you will then be charged. Alternatively, if you do not give us any instructions regarding your monthly payment it will continue at the previous level until the next Account Review when it will be recalculated based on the reduced balance and existing loan term. You will, of course, still have the benefit of reduced interest charges from the date the payment is made.

If we notify you of a reduction in your monthly payment and you wish to continue paying at a higher level, please call our Customer Contact Centre.

It is possible to make lump sum payments to a particular part of your loan by giving us specific instructions to this effect at the time you make the payment. Otherwise, the overpayment will automatically spread across all parts of your loan in proportion to the amount of your registered payments relating to each loan part.

If you wish to make a **regular additional payment**, and your payment is collected by Direct Debit, you will need to call our Customer Contact Centre to authorise the collection of an amount on top of your monthly payment.

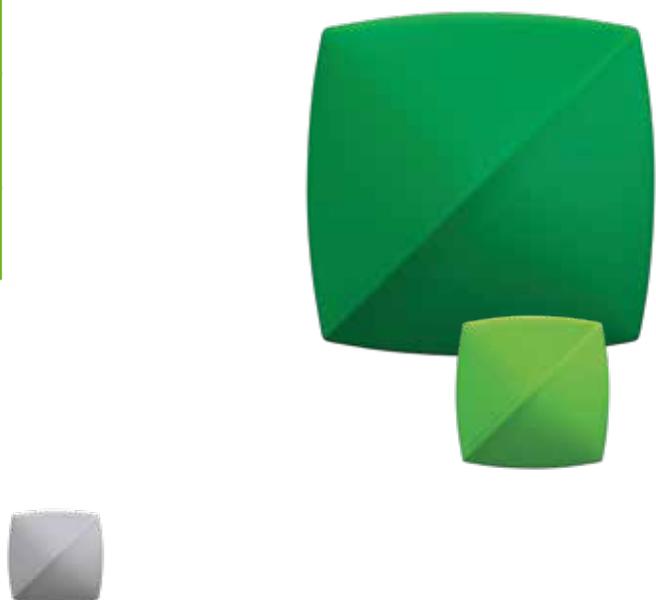
Please note that if you authorise, for example, a £50 additional payment each month, the amount we collect by Direct Debit will still vary when your monthly payment alters, e.g. at Account Review, as shown in the example below:

Monthly payment	£250
Regular additional payment	£50
Total collection by Direct Debit	£300
New monthly payment following Account Review	£225
Total new collection by Direct Debit	£275

Where a regular additional payment is registered, it is possible to make the overpayment to a particular part of your loan by giving us specific instructions to this effect when setting up the arrangement with us.

Alternatively, you can ask us to set up a **'static' payment arrangement**. A static payment arrangement is where the payment is set at a fixed amount and is continually collected until either you cancel the arrangement or this amount is no longer sufficient to cover the registered payment. In the earlier example, if a 'static' payment arrangement had been set at £300, the payment reduction would have had no effect on the amount collected. However, if the monthly payment ever rose above £300, for example, to £325, then the sum of £325 would be collected until the monthly payment fell below £300, at which point collections would revert to £300 per month.

Where a static payment is registered, any overpayment will be spread across all parts of your loan in proportion to the amount of your registered payments relating to each loan part. It is not possible to make the overpayment to a particular part of your loan with a static payment.



Using overpayments to reduce your mortgage term

There are two ways you can use overpayments to reduce your mortgage term. One option is to change your contractual term and you will need to contact us to do this, see page 25 for more details. The second option is to register a static payment arrangement. To find out more or set this up, you will need to call us on 0345 1200 200. You must reassess the static payment arrangement whenever your account details change e.g. an interest rate change or, if you have an Offset mortgage, wherever there is a change in savings balance. You must also contact us at each Account Review to ensure that the payment arrangement continues to meet your requirements.

Paying money in

To make overpayments, in addition to regular payments made using the CHAPS, BACS or Faster Payments system, you'll need to quote the following bank details. You can also use these details if you wish to pay more money into an Offset savings account.

To make payments within the UK

To make payments into your account from within the UK, you will need to use the following:

Sort Code	60 - 92 - 04
Bank Account Number	The first 8 digits of your YBS account number
Reference or Roll Number	The full 10 digits of your YBS account number

Payments from abroad

To make payments from abroad, you will need to use the following:

Sort Code	56 – 00 – 36
Bank Account Number	00115959
Bank Account Name	Yorkshire Building Society No. 1
IBAN	GB88 NWBK 560036 00115959
SWIFT / BIC	NWBKGB2L
Bank Name	National Westminster Bank plc
Bank Address	Bradford City Centre Branch, 7 Hustlergate, Bradford BD1 1PP
Reference	The full 10 digits of your YBS account number

Please ask the sender to quote your name and address with the payment.

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Underpayments and payment holidays

Any amounts that you pay in addition to your monthly payment – either as lump sums or as regular additional payments – will accumulate as a 'surplus'.

If you have accumulated such a surplus and subsequently find that you need to reduce your monthly outgoings for a period of time, you may either reduce or stop your monthly payments for a period until the accumulated surplus has been used up. If you wish to take advantage of this facility, you need to call our Customer Contact Centre to arrange to either reduce or suspend your Direct Debit collections. Even if you do not pay by Direct Debit, you will still need to contact us to agree the duration of your underpayment period or payment holiday.

Please note that interest will be compounded daily during any period of underpayment or payment holiday, and your outstanding balance will consequently increase. At the end of the agreed underpayment period or payment holiday, we will write to notify you of your increased monthly payment, based upon the balance outstanding at the end of the underpayment period or payment holiday.

Refund of overpayments

If you accidentally make an overpayment and want this to be refunded, you will need to request the refund by writing to Customer Service Centre - Mortgages at Yorkshire House, Yorkshire Drive, Bradford BD5 8LJ.

Any refund will be subject to the following:

- An increase in your monthly payment to take account of the refund, if the overpayment has already been taken into account
- No refund will be made from an account if there are any outstanding arrears
- We will not refund any amount that will take the loan above the amount that was originally borrowed
- If the mortgage account is in joint names and you require a cheque to be drawn in one name only, a written authority signed by all parties must be provided
- No refund will be made for surpluses built up over time.



Applying for additional borrowing

Once you have a mortgage with us, we may also be able to provide you with additional funds for a wide variety of purposes. As an existing customer, we can use the information you have already supplied, which helps us minimise the paperwork required to support your additional loan application.

Additional loans are subject to certain conditions. These will be carried out on an advised basis. This will include an affordability assessment and credit checks. For full details please call our Customer Contact Centre.

You may be able to have an additional loan on one of our special products that are available at the time of your application for additional borrowing; please note you cannot mix Offset and non-Offset products on the same mortgage. A product fee may be payable on certain products.

In order to consider your application we will need to revalue your home which will incur a fee. For information on the special products and valuation fees please refer to our Additional Borrowing factsheet available at ybs.co.uk or from our Customer Contact Centre.

Any additional loan will be added to your main mortgage account, but will be shown separately on your mortgage statement. After completion of your additional loan, a new monthly payment will be calculated based on your overall mortgage.

If your existing mortgage payment is made by Direct Debit, the initial interest and subsequent payments for the additional loan will also be collected by Direct Debit on the same date.

Interest will be charged on a daily basis, as on your main mortgage, and any additional loan will also be subject to the Account Review system (see page 17).

Additional borrowing is not available for mortgages let with our consent.

Changes of address

You must notify us in writing if you move out of your property or if you require mail regarding your mortgage to be sent to an alternative address. We may require you to provide us with acceptable evidence to show that you are resident at the new address. You must also notify us of the reason for your change of address. If the property has been vacated and no reason is given, we will investigate to find out whether the property is being let without our consent.

Please note that where you vacate the property but family members continue to live there, this is treated as letting your property. See page 24 for details.

Changes in name or marital status

You should notify us of the changes in writing to allow our records to be updated. We will also need to see your marriage certificate, the decree absolute or change of name deed.

Changes in the use of your property

You must notify us of any changes to the use of the property, for example if you wish to let the property. In some circumstances, we may not consent to the change of use, for example if it is to be used for commercial purposes. A higher rate of interest may be charged on your account and your property insurance may also be affected.



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Letting your property

In exceptional circumstances we may give consent to the letting of a property, for example if you move because your job has changed and you have been unable to sell the property immediately.

You must get our written consent before proceeding with the letting of your property.

If we approve a letting, it would be subject to the following:

- A Tenancy Agreement must be prepared in accordance with our requirements to ensure that only Assured Shorthold Tenancies are created
- Our letting certificate being completed, confirming compliance with our conditions for consent to letting.

If you chose to use a letting agent or legal adviser you must ensure that the letting agent is authorised.

An authorised letting agent is a member of one of the following bodies:

- Association of Residential Letting Agents (ARLA)
- Association of Residential Managing Agents (ARMA)
- Royal Institution of Chartered Surveyors (RICS)
- Incorporated Society of Valuers and Auctioneers (ISVA)
- Corporate members of the National Association of Estate Agents (NAEA) who are presently in membership specialising in lettings or insured under the 'Managed Letting Protection Scheme' (London & General).

The property must not be let for multiple occupation, or to recipients of state benefits or students.

If the letting meets our conditions for consent then, depending on the circumstances, the interest rate charged on your mortgage account may be increased by 1% throughout the letting period. Full details are available by contacting our Customer Contact Centre.

If the letting of your property does not meet our conditions for consent to letting, or you did not apply for consent then the letting will be registered as 'unauthorised' and the interest rate charged on your mortgage will be increased by up to 2% throughout the unauthorised letting period. Any unauthorised letting will put you in breach of our mortgage conditions.

An administration fee is payable on application for consent to let. This is non-refundable. For more information on fees, please refer to page 7.

How to apply for consent to let

Application forms can be sent out on request by calling our Customer Contact Centre:

- You should complete and return the application form and forward it, with the fee, to Customer Service Centre - Mortgages at Yorkshire House, Yorkshire Drive, Bradford BD5 8LJ.
- Consent to letting will be issued if appropriate. This is conditional upon receipt of the completed letting certificate.

When a tenancy expires and a new tenant is found, a new application for consent to let must be made. A further non-refundable administration fee is then payable.

If the tenant does not change but the tenancy is extended, we will require sight of a copy of the extended agreement (if any).

Once you resume occupation of the property, written confirmation must be given to us.

Letting conditions

A copy of our conditions for consent to letting is available upon request by calling our Customer Contact Centre on 0345 1200 200.

Changing your mortgage repayment method

Changing from interest-only to repayment (Capital and Interest)

Any change in repayment method will be done on an advised basis and affordability checks will be required which will include credit checks.

If you change your mortgage repayment method from interest-only to repayment then your monthly payment to us will increase because you will be paying back capital as well as interest. At the end of the term, your mortgage will be repaid in full.

Depending on your mortgage, we may be unable to change your repayment method.

Repayment method changes

Further information on changing your mortgage repayment method, can be obtained by calling our Customer Contact Centre Sales on 0345 1200 201.

Changing your mortgage term

Any changes to your mortgage term will be done on an advised basis and affordability checks may be required which will include credit checks.

Extension of the mortgage term can be considered depending on your circumstances. This will normally reduce your monthly payment.

Reduction of the mortgage term will result in an increase in your monthly payment, unless the reduction is accompanied by an appropriate lump sum overpayment.

Mortgage term changes

If you wish to change your mortgage term, please call our Customer Contact Centre Sales on 0345 1200 201.

Your monthly payment quoted by us from time to time will be calculated based on the agreed mortgage term. Should you make additional payments, such payments will not reduce the term over which we will calculate your monthly payment unless you specifically request a reduction in the term. See page 21 for details.

Please note that a change of term is subject to meeting our lending criteria.



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Changing your mortgage product

If your mortgage product is coming to an end, we may be able to offer you the opportunity to transfer to another mortgage product, subject to the following:

- Your mortgage and the part(s) being transferred to a new product meet all our current requirements and lending criteria for existing borrower product transfers
- Depending on the product chosen, we may need to revalue your home, which will incur a fee
- It is not possible to mix an Offset and non-Offset product on the same mortgage.

Please refer to our 'Current mortgages for product transfers' factsheet for further details of all of the above and for details of the products currently available.

If, after you have changed your mortgage product you no longer have an Offset mortgage, any Offset savings accounts will need to be closed, as the benefit of any savings balance cannot be used to reduce the mortgage interest charged.

How to proceed with a transfer:

- If you are coming to the end of your product then we will write to you with the details of the options available to you. Alternatively, please call our Customer Contact Centre on 0345 1200 200
- Depending upon your requirements, appropriate documentation will then be sent to you
- Your formal acceptance together with your payment for any early repayment charges should be returned to Mortgage Service, Yorkshire House, Yorkshire Drive, Bradford BD5 8LJ, within the timescale specified on the offer. Following receipt, your account will be amended and your new payment details confirmed to you.

Any change in product is not effective until we have received your signed acceptance of the product transfer offer within the timescale specified.

Changing the borrowers on a mortgage (Transfer of Equity)

A Transfer of Equity is required to legally change the name(s) on the mortgage and on the Title Deeds, for example changing joint names to a sole name or a sole name to joint names.

Examples of where a Transfer of Equity may be requested are:

- When a sole borrower marries or enters into a civil partnership and wishes to add their spouse or civil partner to the mortgage
- When a sole borrower dies (unless the property is to be sold)
- When joint borrowers separate.

All applications for Transfers of Equity should be made by contacting our Customer Contact Centre on 0345 1200 200.

Our normal lending criteria must be met, so an assessment of affordability will be undertaken to confirm that the change to the mortgage holders will continue to ensure that the loan remains affordable both now and in the future.

At least one original borrower must remain on the mortgage, except when a sole borrower dies.

A legal adviser must be appointed to act both on our behalf and also the persons who are to be named on the mortgage after the transfer ('the transferees'). A separate legal adviser would usually be appointed to act for people being removed from the mortgage ('the transferors').

An administration fee will be payable for this application. This is non-refundable, whether or not the application proceeds. Please refer to page 7 of this booklet.

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Once approval has been given we will issue formal written consent to the transferees and the transferees' legal adviser. We will not amend the names on the mortgage account until the legal adviser confirms that the transfer has been completed.

Where there is a Court Order in place to transfer the property to a sole name (for example upon divorce or separation) and any person to be named on the Title Deeds after the transfer does not meet our lending criteria, we do not amend the mortgage details (i.e. both parties remain jointly responsible for payment of the mortgage). However, we would consent to your legal adviser changing the Title Deeds to the property so that the property is in a sole name.

In the case of an Offset mortgage, if any person who is removed from the mortgage has an Offset savings account in their sole name, that account will be closed and the balance transferred to our instant Access Saver account. There must always be at least one Offset savings account so, if no account is open following the transfer, it will be necessary to open one to meet the terms and conditions of the loan. Failing to do so may result in the loan being transferred to our Standard Variable Rate and our non-Offset loan terms will apply.

If any person who is removed from the mortgage is a joint holder of an Offset savings account, which is to remain open following completion of the transfer of equity, their name will also be removed from the offset savings account.

Providing the Title Deeds or copy documents to your legal adviser

If we hold your title deeds and your legal adviser needs access to them, they should call our Customer Contact Centre on 0345 1200 200 to request them, stating the reason why they are required. A fee is payable for retrieving the Title Deeds from our safe and despatching them to your legal adviser.

We can supply copies of any documents contained in your Title Deeds which we hold. There is a fee for this service, though this will be less than the fee for sending out the Title Deeds. For properties in England and Wales, the Land Registry can consider certain enquiries such as boundary disputes etc.

For more details on fees, please refer to page 7 of this booklet.

Please note, we no longer hold Title Deeds to properties in England and Wales for mortgages completed after 1 January 2004.

If a borrower dies

We should be notified as soon as possible of the death of a borrower and the names of the executors or administrators.

The original death certificate is required in all cases.

If the repayment strategy for the mortgage is an endowment policy, which is deposited with us, or a pension in which we have registered an interest, we will contact the policy provider and obtain the policy proceeds to repay the loan.

If the repayment strategy is an endowment policy which has not been deposited with us, the executor or administrator will need to contact the policy provider and obtain the policy proceeds to repay the loan.

If the mortgage is in joint names, the account will be automatically placed in the name of the remaining borrower(s).



If the mortgage is in a sole name, the account will be the responsibility of the personal representatives.

Letters of Administration or a Grant of Probate are required if the administrator's or executor's name is to be recorded on the mortgage account.

If the property has been left in the borrower's Will to a family member or someone else, and the mortgage is not being redeemed, it may be necessary to apply for a Transfer of Equity. The application should be made by calling our Customer Contact Centre – see 'Changing the borrowers on a mortgage (Transfer of Equity)' on page 27.

In the case of an Offset mortgage, if, following the death of a borrower, no Offset savings account is open, a new Offset savings account will need to be opened in the name of any remaining mortgage account holders. Otherwise, the loan may be transferred to our Standard Variable Rate and our non-Offset loan terms will apply.

Certificate of Interest

There may be occasions when you or your accountant requires a Certificate of Interest for HM Revenue & Customs. These certificates show interest charges during a particular tax year.

Requesting a certificate of interest

You can request a certificate by calling our Customer Contact Centre on 0345 1200 200 or by writing to Mortgage Service at Yorkshire House, Yorkshire Drive, Bradford BD5 8LJ. A fee will be charged for this. For more details on fees, please refer to page 7 of this booklet.

Removing a guarantor

If you wish to remove an existing guarantor you should call our Customer Contact Centre where lending criteria will be checked to ensure that you can now support the loan. If so, we will issue a letter to the guarantor(s) to confirm they are released from their responsibilities.

Alterations to your property

You must obtain our written consent if you wish to carry out major work that will affect your property, for example buying the property next door and knocking the two together. This is because such work can affect the property's suitability as security for our loan.

Selling part of the mortgaged property

Our written consent must be obtained before you sell part of the mortgaged property.

We have the right to require the proceeds of the sale to be used to reduce your loan. The decision on whether to exercise this right will depend on the amount of the sale proceeds, the loan outstanding and the revised value of the remaining property.

You will need to appoint a legal adviser to act on behalf of you and us. A fee will be charged to cover the cost of us considering the request. If we hold your Title Deeds and these are requested by your legal adviser, a deeds production fee will be charged to the mortgage account.

If we need a full valuation of your property, a valuation fee will be payable by you. For more details on fees, please refer to page 7 of this booklet.

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If your property is subject to a Compulsory Purchase Order

Occasionally local authorities may impose a Compulsory Purchase Order on an area of land for clearance, for example where a new road is to be built.

If you receive notification of a Compulsory Purchase Order, you must tell us straight away and appoint a legal adviser and valuer (both of which must be acceptable to us) to act on behalf of you and us.

We should also receive notification of the Compulsory Purchase Order from the local authority and we will need to find out whether or not the purchase price offered by the authority is fair and reasonable.

If the purchase price is fair and reasonable, but is insufficient to pay off the mortgage, you will need to provide the additional funds to pay off the balance on your mortgage account.

If the purchase price is more than enough to pay off the mortgage, we will repay to you the difference between the proceeds and the balance on your mortgage account.

If events covered by the Land Compensation Act affect your property

You may be offered compensation from the Highways Agency for alterations affecting your property, for example where a new motorway is being built nearby, causing traffic and noise pollution. If this happens, you must tell us straight away.

We should also receive notification of the proposed compensation by the Highways Agency and will need to appoint a valuer to find out if the compensation offered is fair and reasonable and to provide an indication of the current value of the property.

We may claim part or full payment of the compensation to reduce your mortgage balance after taking into account the current value of the property and the amount owed under the mortgage.

If arrears of ground rent or service charge payments are notified to us (leasehold properties)

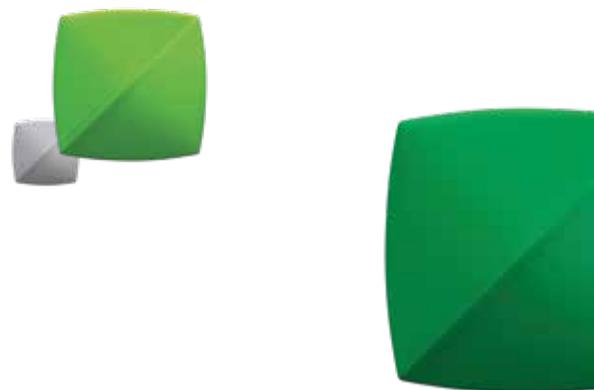
If you fall into arrears with payment of ground rent or service charge, the Landlord or its Management Agents may contact us to request payment.

We will contact you in writing following receipt of a claim for payment and serve a 7-day notice for you to pay or to contact us to tell us about any dispute.

If you do not contact us to confirm that you have paid the arrears or that you dispute the sums claimed, we may pay the requested amount from your mortgage account. Interest will be charged on the amount paid and your monthly payment will increase.

We are entitled to pay arrears of ground rent or service charge in order to protect our security and prevent the landlord from bringing the lease to an end because of such arrears.

A fee will be charged by the Society in the above instance. For more details about fees, please refer to page 7 of this booklet.





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INSURANCE ARRANGED THROUGH US

In this section you will find information on:

- Insurance premiums
- Amending or cancelling your property insurance
- Arranging your own property insurance
- Amending or cancelling your Mortgage Payment Insurance
- Making a claim

Insurance premiums

Life Insurance – While the Society can help you arrange life and critical illness insurance, you will pay the premium for that cover directly to the insurer.

Mortgage Payment Insurance – While the Society no longer offers Mortgage Payment Insurance, if you already have cover arranged through us then the premiums for that cover are added to your account on the 15th of each month and collected alongside your mortgage payment. Please note if you have this type of arrangement the premiums added to your mortgage will be subject to daily interest charges from this date.

Amending or cancelling your property insurance

If you have a policy where you pay your premiums direct to your insurer then you need to call your insurer using the telephone numbers shared on your policy documents to arrange any changes to your policy.



Arranging your own property insurance

If you choose to arrange your property insurance with another provider, you are responsible for ensuring that your property is insured as long as the mortgage exists, under the terms of your mortgage agreement.

The property must be insured for its full reinstatement value and the sum index linked to the Housing Cost Index or House Rebuilding Cost Index. The Society's interest must also be noted on the building's insurance policy. Further details of the Society's insurance requirements can be found in Mortgage Condition 4 of the Society's Mortgage Loan Terms and Mortgage Conditions booklet, which you will have received with your mortgage offer.

Amending or cancelling your Mortgage Payment Insurance

If you have a Mortgage Payment Insurance policy arranged through us, you can make changes to your policy by ringing **0345 1200 200**.

Making a claim

If you need to make a claim on any general insurance policy arranged through us, please refer to your policy documentation for the insurer's claims phone number.



DIFFICULTIES WITH PAYMENTS AND MORTGAGE ARREARS

In this section you will find information on:

- What to do if you are having difficulty meeting your monthly payments
- Possible sources of financial assistance
- What action will we take?
- Charges on accounts in arrears
- Credit agency information

What to do if you are having difficulty meeting your monthly payments

If your circumstances change and you anticipate, or are currently experiencing, difficulties in maintaining your mortgage payments, please contact us as soon as possible to discuss the situation. We're here to help.

Contact Us

Please call our Mortgage Collections and Recoveries Team on 0800 138 2402 refer to website for opening times.

Possible sources of financial assistance

If you have Mortgage Payment Insurance, you may be entitled to make a claim under the terms of your policy.

To find out if you can claim, call our Customer Contact Centre on 0345 1200 200.

State benefits may be available. Contact your nearest Jobcentre Plus to find out whether you are eligible for any benefits.

Short Term Income Protection/Mortgage Payment Protection

If you have one of these policies, please contact your provider for further information regarding making a claim.

What action will we take?

If you have not contacted us regarding the difficulties that you are experiencing we will make every effort to get in touch with you.

If, after contacting us, you are unable to repay the arrears in a lump sum, we may agree to an arrangement to pay off the arrears over a period of time.

We may ask a Third Party Field Agent to meet with you. We will only commence legal action for the possession of your property if all reasonable attempts to resolve the position with you have failed.

In this respect we will consider whether it is appropriate to extend the mortgage term, capitalise the arrears (i.e. treat them as part of the original loan) or make use of any Government forbearance initiatives that may be available.

If it becomes necessary to repossess your property, arrangements will be made to place your property on the market for sale.

Should the sale proceeds of your property be insufficient to pay off your loan, you will remain liable for the shortfall. Interest will continue to be charged on a daily basis on any shortfall.



Charges on accounts in arrears

If your mortgage account falls into arrears by two or more monthly payments a monthly arrears administration fee may be charged unless an arrangement to fully repay the arrears is in place, which is being maintained.

In addition, if any cheque which you use to pay your mortgage is returned unpaid, a fee may be added to your mortgage account.

If we attempt to make Direct Debit collections, which are returned unpaid by your bank, we will not charge a fee the very first time a Direct Debit is returned unpaid. A charge to your mortgage account will however be made on any further occasion this happens.

Where a Direct Debit is returned unpaid marked 'refer to payer' on two consecutive occasions, we will cancel the Direct Debit and will try to contact you to discuss whether Direct Debit is the most appropriate method to pay your mortgage.

All payments which we receive from you will be applied first in clearing the arrears and will only be applied towards interest and fees on these arrears once the arrears have been cleared.

If we take legal action for possession of your property, all costs and legal fees incurred will be added to your mortgage account, and will then be subject to interest charges.

We can use any savings balance to pay outstanding arrears on your mortgage. We will usually only do this as a last resort. We will advise you in writing when we have done this.

Interest charges will increase on your account if you are late with, or miss, any payments.

For more details on fees, please refer to page 7 of this booklet.

Credit agency information

Like most other institutions that give credit, we disclose information about the conduct of your loan to credit reference agencies. This information is then available to other lenders or grantors of credit, when they are considering loan or credit card applications, and may affect the outcome of your application for credit with them.

Your Rights

You have a legal right to know whether the information held about you by the credit reference agencies is correct. We use Equifax PLC. Details may be obtained by writing to Equifax PLC, PO Box 1140, Bradford BD1 5US. You must include a fee of £2 and the addresses you have lived at for the past six years.

This means that if you manage your account badly and fall into arrears, you may have difficulty in obtaining credit from another institution.

If you do not agree with something on their records, please contact Equifax PLC so they may take up your complaint with the organisation that registered the information.



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IF YOU CHOOSE TO END YOUR MORTGAGE EARLY

In this section you will find information on:

- Requesting a redemption statement
- What your redemption statement includes
- Early Repayment Charges
- What happens to your current mortgage if you move home – the portability option
- Cancellation of payments upon redemption
- Questionnaires and lenders' references

Requesting a redemption statement

If you choose to bring your mortgage to an end before the end of the agreed mortgage term, perhaps because you are paying it off early or moving your home, you or your legal adviser must request a written redemption statement from our Customer Contact Centre. This will ensure you repay the exact amount of money required to redeem your mortgage. You must state the date on which you intend to redeem and should request the redemption statement at least seven days in advance of this date.

What your redemption statement includes

Your redemption statement will include the following:

- The mortgage balance outstanding as at 1 January in the current year. In the case of an offset mortgage this will exclude the savings (including any Offset Plus savings balance(s))
- Interest charged from 1 January in the current year to the date of the redemption statement
- Interest projected from the statement date to the proposed date of redemption. In the case of an Offset mortgage the projected interest will take into consideration any Offset savings balances. If the Offset savings balance changes before the date of redemption, the amount required to redeem the mortgage will change and you must request a new redemption statement
- Any Early Repayment Charges which apply to your account
- Any fees that have already been added to your account, or which will be charged upon redemption.



- All insurance premiums that have been added to your account in the current year, and which will be added prior to the proposed date of redemption
- All payments made between 1 January in the current year and the date on which the redemption statement is produced, excluding uncleared Direct Debit payments.

Payments becoming due between the date on which the redemption statement is produced and the proposed date of redemption will not be deducted from the redemption statement since we do not know whether they will be paid.

Payments after redemption

If you make payments after a redemption statement is issued, please call our Customer Contact Centre on 0345 1200 200 for confirmation of whether these can be deducted from the figure provided or whether they will be refunded to you following redemption.



Removal of mortgage from Land Registry/Registers of Scotland Records

– If you are repaying your mortgage with us and are not moving house or taking out a mortgage with another lender, and if your property is in England and Wales, the removal of our mortgage from Land Registry records has become much simpler. Where your property is registered then in most cases when we receive the monies required to redeem your loan, our mortgage will automatically be removed from Land Registry records for your property. However, for properties in Scotland, some legal work is necessary in order to remove our mortgage from your property. As part of this service, we arrange for records to be updated at the Registers of Scotland to show that the mortgage has been repaid. We also carry out all necessary searches to ensure that there are no second charges registered on your property.

An additional fee is payable for this service. This fee is not included in your redemption figure since the service is optional. If you choose to use this service therefore, the fee must be paid in addition to the amount quoted as your redemption figure. For more information on fees please refer to page 7 of this booklet.

This service is not available where our mortgage is over a property in Northern Ireland.

Alternatively you can instruct a legal adviser to carry out the necessary legal work on redemption, and the costs of this will be payable by you to the adviser, or you may wish to do the legal work yourself.

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Early Repayment Charges

In providing your mortgage, one of our aims is to try to offer as much flexibility as possible with regard to your mortgage payment arrangements.

We usually put specific funding arrangements in place to support mortgage products, such as fixed, tracker, discounted and capped mortgages. Often we are locked into these arrangements regardless of the actions of borrowers and changes to interest rates. This combination of funding arrangements and our inability to change these means Early Repayment Charges are normally applied to our mortgage products. As a result, Early Repayment Charges may apply in the event of repayment in full (redemption), overpayments or transfer to an alternative mortgage product (in full or in part). Please refer to the factsheet covering your mortgage product and also your offer document for full details of Early Repayment Charges which may apply to your account.

No Early Repayment Charges will be payable in the unfortunate event of the death of a borrower during the mortgage term where the loan is repaid; for example, from the proceeds of a life insurance policy or sale of the property.

What happens to your current mortgage if you move home – the portability option

Whenever you move home and redeem (repay in full) your existing mortgage you may be asked to pay an Early Repayment Charge (see above).

If you move home, in most cases, you can take your mortgage product with you - this is called portability. This is provided that you and the property you are buying, meet all lending criteria applicable at the time of your move.

This section explains what happens if you move home and want to take a new mortgage with us, but keep your existing mortgage product.

Moving home with a mortgage product that is still within the Early Repayment Charge period

In all cases where a mortgage is repaid before the end of the Early Repayment Charge period specified in your mortgage offer, the Early Repayment Charges must be paid. However, if you take out your new mortgage with us and comply with the conditions below, all or some of these charges can be refunded to you.

How to get a full refund of Early Repayment Charges

You must:

- Take a new mortgage with us for the same amount as your existing mortgage, known as the portable amount, on the same product terms as your existing mortgage
- Complete your new mortgage within six months of repaying your existing mortgage and before the end of the Early Repayment Charge period
- Buy a property in England, Scotland, Wales or Northern Ireland
- Pay any costs associated with your move including valuation fees
- You and the property must comply with our lending criteria applicable at the time.

Early Repayment Charges

For more information on these costs please see our booklet 'a guide to arranging your mortgage' or contact our Customer Contact Centre on 0345 1200 200.

Interest rate and product terms

If you are still benefiting from a mortgage product (i.e. fixed, tracker, discounted or capped rate) on your current mortgage loan amount, you can use portability in order to continue on the same interest rate and terms applicable to this amount when your new mortgage completes.

Borrowing less than your current mortgage

The refund of your Early Repayment Charges will be reduced in the same proportion as your new mortgage compared with your current mortgage i.e. if your current mortgage is £50,000 and you now require only £40,000, 80% of the Early Repayment Charges made will be refunded to you after completion (subject to the other conditions set out above).

Borrowing more than your current mortgage

You may be able to borrow more than your current mortgage loan amount. Subject to meeting our lending criteria, this 'top up' amount may be taken on one of our mortgage products (unless specifically excluded) currently available to you.

Please note that you cannot mix an Offset mortgage with a non-Offset mortgage and vice versa.

Joint borrowers with changing circumstances

Joint borrowers who are not taking the new mortgage in the same joint names will each be entitled to move an equal share of the existing mortgage to a new mortgage, and to an Early Repayment Charge refund proportionate to their new mortgage. If all borrowers give their written consent, this apportionment can be amended.

Getting your money back

In all cases the Early Repayment Charges will be payable when you repay your existing mortgage. A refund will be made to you after completion of your new mortgage. Conditions also apply – see your mortgage product factsheet and offer document for details.

For more information contact our Customer Contact Centre on 0345 1200 200.



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Cancellation of payments upon redemption

It is your responsibility to cancel any Direct Debits or standing orders at your bank or building society, including any with us, if redemption is to take place imminently. If redemption is delayed and you have already cancelled your payments, or if you cancel your payments too soon, this may result in an underpayment and in arrears correspondence being sent to you.

If you do not specifically instruct us we will only cancel future collections on your Direct Debit after the redemption monies have actually been received and the account has been closed.

The Direct Debit collection cycle commences three working days before the payment is due. Consequently, any Direct Debit collections due within the first three working days after the closure of the account will still be made unless you have cancelled the Direct Debit at your bank or building society.

If an account is overpaid upon redemption, perhaps because a Direct Debit has not been cancelled, the overpayment will subsequently be refunded. Where possible the overpayment will be sent to your bank or building society. Alternatively, a refund cheque will be sent to any legal adviser who acted on redemption, unless you give us alternative written instructions signed by all parties to the mortgage.

Questionnaires and lenders' references

If you apply for a new mortgage with another lender, or if you apply for a second mortgage, the new lender may require a reference or questionnaire to be completed by us. A fee will be payable to us for completing this reference. The new lender may pay this fee for you, or they may require you to pay it. You should check with them. For more information on fees, please refer to page 7.





THE END OF YOUR MORTGAGE TERM

For all properties in England and Wales we will carry out the legal formalities involved in redeeming your mortgage for you.

For all properties in Scotland, some legal work will be needed to remove our mortgage from the Registers of Scotland records for your property. You can instruct us to carry out this legal work. See 'Removal of mortgage from Land Registry/Registers of Scotland Records' on page 37. An additional fee is payable for this service, see page 7 of this booklet. This service is not available where our mortgage is over a property in Northern Ireland, therefore a legal adviser must be instructed by you.

If you have an interest-only mortgage:

- We will contact you when your mortgage term is due to end to confirm the amount required to redeem the mortgage
- If you have general investments, pension or endowment policy, you will need to obtain the maturity proceeds from the product provider and use these to repay your loan

- If the proceeds from the general investments, pension lump sum or endowment policy are insufficient to pay off your loan you will need to pay us the shortfall between the proceeds and the amount required to repay your loan
- If you are using an alternative repayment strategy to redeem the mortgage, you will need to pay us the amount required to redeem your mortgage yourself

Interest will continue to be charged on any shortfall on a daily basis.

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ADDITIONAL INFORMATION APPLYING TO OFFSET MORTGAGES

In this section you will find information relating to Offset mortgages on:

- Your Offset options
- Daily interest charging
- Allocation of your Offset savings
- Part and part mortgage
- Opening an Offset savings account
- Paying money into your Offset savings account
- Operating balance
- Withdrawals
- Payment and withdrawal timescales
- Joint accounts
- Changing your PIN
- Checking your balance
- Statements
- Managing your Offset account online
- Summary box
- Offset Plus savings account
- Events that may happen during the life of your Offset savings account
- When your Offset mortgage is repaid in full



Your Offset options

With an Offset account there are three ways in which you can choose to make the benefits of Offset work for you and these options are shown below.

All three options give you the benefit of offsetting savings, but whereas the first two affect your monthly payments, the third affects the length ('term') of your mortgage.

If you did not specifically choose an option when you took out your Offset mortgage then you will have been automatically put onto Option 2. However, you can choose any of these options at any time during the life of your mortgage simply by contacting us to let us know you wish to change.

Option 1 – lower your monthly payments now

With this option, you will be using your Offset savings to lower your monthly mortgage payments now, but you will not pay off your mortgage any sooner than the remaining contractual mortgage term. The amount of your monthly mortgage payment is calculated taking into account the savings that you have in your Offset savings account(s). Under this option, the more savings you offset, the lower your monthly payment will be.

To choose this option and to benefit from lower monthly payments, you need to arrange a net payment. For an interest-only mortgage, the calculation of your net payment is based on the difference between your Offset mortgage balance and your Offset savings balance. For example, if you had a mortgage of £100,000 and savings of £15,000 then your minimum monthly mortgage payment would be calculated on a net balance of £85,000.

For a repayment mortgage, because the mortgage balance reduces over time, we will adjust the net payment upwards to allow for the reduced effect that the savings balance has from the point that the savings balance and the mortgage balance become equal. This is because you get no benefit from any part of savings that exceed the mortgage balance. This allows us to set a consistent monthly payment throughout the mortgage term, assuming no change in the interest rate being charged. It ensures that for a repayment mortgage, the full mortgage balance will be repaid at the end of the term.

As you are using your savings to benefit from lower monthly payments immediately, your mortgage balance and remaining mortgage term will not reduce any quicker than if you were on a traditional non-Offset mortgage. You should be aware that if the interest rate charged on your mortgage changes during the year, either up or down, this will affect the benefit of a net payment. If the interest rate reduces you will be effectively overpaying, therefore reducing your balance and in turn reducing your payment for the following year at Account Review (page 17). If the interest rate increases, you will be effectively underpaying and so at the next Account Review your payment will be increased.

We may contact you during the year if there is a significant change in your Offset savings balance to tell you of a change to your net payment.

You should consider Option 1 if you wish to keep your monthly mortgage payments as low as possible.

Option 2 – lower your monthly payments in the future

This is the default option for all Offset customers, unless they tell us they would like to choose one of the other options. Therefore, unless you selected Option 1 or Option 3, your mortgage will automatically have been put onto this option.

With this option, you will be using your Offset savings to enable you to lower your monthly payments each year going forwards but you will not pay off your mortgage any sooner than the remaining contractual mortgage term.

The calculation of your monthly payment (gross payment) is based on your full mortgage balance just like a traditional non - Offset mortgage. You still benefit from your savings, as they reduce the interest charged on your mortgage. This means that you are effectively overpaying every month until each Account Review (page 17) or a recalculation event (page 45) takes place.

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Every year at Account Review or when a recalculation event occurs, your gross payment is recalculated, based on your reduced mortgage balance and the remaining contractual mortgage term. This means that, whilst your mortgage term will remain the same, you should benefit from reduced payments at each Account Review until you pay off your mortgage (assuming that your interest rate and all other aspects of your mortgage remain the same). Your monthly payments though will not be as low as under Option 1.

With this option, you will also pay less interest overall than with a traditional non-Offset mortgage, as your gross payment is based on a lower mortgage balance each time it is recalculated.

You should be aware that if the interest rate charged on your mortgage changes during the year, either up or down, this will affect the benefit of a gross payment. If the interest rate reduces you will be effectively overpaying more, therefore reducing your balance more and in turn further reducing your payment for the following year, at Account Review. If the interest rate increases, depending upon the amount you have in your Offset savings accounts(s) you may be effectively underpaying and so at the next Account Review your payment may increase.

Option 3 – pay your mortgage off quicker

With this option, you will be using your Offset savings to pay your mortgage off quicker, and so reduce the term of your mortgage. However, your monthly mortgage payments will not reduce.

In this instance, you arrange to pay a fixed amount each month by Direct Debit (a static payment). As a result, the interest you save by offsetting your savings does not go towards reducing your monthly mortgage payments, so you are effectively overpaying each month. The difference with this option compared to Option 2 is that at each Account Review or when a recalculation event occurs, your monthly Direct Debit collection amount isn't adjusted, so your mortgage balance should reduce faster, and you may be able to pay off your mortgage early.

To achieve a reduced mortgage term you need to arrange a static payment that must be more than the net payment, and can be less or more than the gross payment. You need to be aware that if interest rates increase, or a recalculation event occurs, you may need to increase your static payment in order

to ensure it still reduces the term of your mortgage to the extent that you wish. If you select a static payment that is more than your gross payment, you will be effectively overpaying on top of the effect of offsetting your savings, meaning that you would pay off your mortgage even faster.

Once you've set up the static payment, it will continue to be collected until either:

- You contact us to change to another Offset option, or
- An Account Review occurs and results in your static payment not being sufficient to cover the payment required. This will be detailed within your annual mortgage statement
- A recalculation event occurs and results in your static payment not being sufficient to cover the payment required. In these events, please contact us to discuss your arrangements.

If you choose the reduced term option, you'll find details of your estimated mortgage end date (compared to your original term) in each annual mortgage statement we send you. This will enable you to clearly see how much benefit you are getting from this option. In certain cases, your estimated mortgage end date may be the same as your original term if:

- You are on an interest-only mortgage and your static payment arrangement reduces your mortgage balance but is insufficient to pay off your full mortgage balance early, or
- Your account is currently on a special product, which will end at some point in the future, and at this point the estimated required monthly payment is higher than the current static payment arrangement and so the static payment is insufficient to achieve the desired term reduction.

If you choose Option 3, you should be aware that if the interest rate charged on your mortgage changes or the balance in your Offset savings account(s) changes during the year, either up or down, this will affect the amount by which a static payment reduces the term of your mortgage. To ensure you continue to achieve the term reduction desired, you will need to contact us after any rate change or change to your savings account(s) balance to ensure the static payment is sufficient.

Recalculation events - These are any circumstances, other than Account Review as outlined above, in which your mortgage payment may be recalculated and include, for example: a product transfer, changes in your savings balance, changes in the apportionment of your savings (for mortgages with more than one part), and to take account of any payment holidays or additional borrowing. If you would like a complete list of recalculation events please contact us.

Offset Options payment examples

The table below is for illustrative purposes and shows you what your monthly payment would be for each of the three Offset options. The calculations are based on a repayment mortgage with a term of 25 years and a fixed interest rate of 2.50% for the first 2 years, followed by 4.99% for the remaining term. The calculations assume that there are no changes to the savings balance, mortgage term, or the way you've chosen to repay it.

Type of payment required	Option 1 net	Option 2 gross	Option 3 static
Mortgage balance	£100,000		
Offset savings Balance	£15,000		
The balance that interest is charged on	£85,000		
Monthly payment	£418.42	£448.29	£600
Calculation	Your payments are recalculated at account review as if you only had a mortgage balance of £85,000	Your monthly payments are based on the full £100,000, but interest is only charged on £85,000 so although you're paying £448.29, £29.87 is an overpayment (£448.29 – £418.42 = £29.87) Unlike option 3 the payment reduces each year at annual review	You can select a static payment of your choice, though it has to be above the net payment. So where the static payment is £600 you're making an overpayment of £181.58 (£600.00 – £418.42 = £181.58) This static payment of £600 stays in place so as your net payment (£418.42) reduces in the background, you carry on paying £600 which is how the mortgage balance is paid off quicker
Monthly payment year 2	£418.42	£446.56	£600
Estimated term	25 years	25 years	18 years, 8 months

Important Information

You should consider putting independent financial advice before paying any money into your Offset savings account as this could affect your entitlement to State Benefits, and may not reduce the amount of interest you pay.

Daily interest charging

If the mortgage balance is more than the savings balance we will charge you interest on the difference. This interest will then be added to the loan on which you will pay interest the following day. This means that interest is charged on your account and compounded daily.

As interest is charged on your loan on a daily basis, making your payments earlier in the month means less interest is charged to your account. It also means that, where permitted by the terms of your mortgage, any overpayments you make, however small, will immediately reduce the interest charged on your account.



*Monthly payment is recalculated at Account Review to take account of an Offset savings balance of £15,000.

Here's an example of daily interest charging:

Balance of Offset mortgage on 1 October:

£80,000 (interest rate: 7%)

Balance of Offset savings on 1 October:

£40,000

Interest for 1 October:

$$\frac{£80,000 - £40,000}{365} \times 7\% = £7.67$$

Balance of Offset mortgage on 2 October:

£80,000 + £7.67 = £80,007.67

Balance of Offset savings on 2 October:

£40,000

Interest for 2 October:

$$\frac{£80,007.67 - £40,000}{365} \times 7\% = £7.67$$

Withdrawal of £10,000 from an Offset savings account on 3 October:

Balance of Offset mortgage on 3 October:

£80,007.67 + £7.67 = £80,015.34

Balance of Offset savings on 3 October:

£40,000 - £10,000 = £30,000

Interest for 3 October:

$$\frac{£80,015.34 - £30,000}{365} \times 7\% = £9.59$$

Balance of Offset mortgage on 4 October:

£80,015.34 + £9.59 = £80,024.93

Balance of Offset savings on 4 October:

£30,000

Interest for 4 October:

$$\frac{£80,024.93 - £30,000}{365} \times 7\% = £9.59$$

Payment made by Direct Debit on 5 October of £466.67

Balance of Offset mortgage on 5 October:

£80,024.93 + £9.59 - £466.67 = £79,567.85

Balance of Offset savings on 5 October:

£30,000

Interest for 5 October:

$$\frac{£79,567.85 - £30,000}{365} \times 7\% = £9.51$$

Balance of Offset mortgage on 6 October:

£79,567.85 + £9.51 = £79,577.36

For the purposes of calculating interest charges, any cheque payments must be cleared in accordance with the table on page 50 before being included in your interest calculation.

Interest charges will increase on your account if you are late with, or miss, any payment.

In the example above, for instance, you would be charged an extra £2.42 interest for the month if you had missed the monthly payment of £466.67 on 5 October.

In all the examples given, the savings balance used in the illustrations would be the total balance of all Offset savings and Offset Plus savings linked to the mortgage.

Allocation of your Offset savings

At the end of each day we will work out the difference between the balances on your Offset mortgage and your Offset savings including any Offset Plus balances. For information on Offset Plus please see page 52.

If you have an Offset mortgage with more than one part, the Offset savings account balance including any Offset Plus account balance will be applied to your mortgage in the following order of priority:

- First, to the loan part on which the highest interest rate is charged then
- To the variable loan part (i.e. typically the tracker part charged at a margin above the Bank of England base rate). If there is no variable part or all the variable part(s) are fully offset by your savings balance then
- The loan part that has most recently completed. If all loan parts completed on the same day, then
- The repayment part (please see 'part and part mortgage' on page 48) if all parts or no parts are on repayment then
- The highest numbered part. Please refer to your most recent mortgage illustration, mortgage offer, or your mortgage statement for more details.

We are unable to change the allocation of saving(s) balance(s) from the above order.

Here is an example of how we allocate the savings balance(s):

Example: Savings balance of £30,000

Mortgage parts:

1. 3.19% fixed rate Offset account repayment loan of £25,000 completed on 05 March 2012
2. 3.19% fixed rate Offset account repayment loan of £25,000 completed on 24 May 2013
3. 3.75% variable rate (tracker) Offset account loan of £16,000 completed on 01 July 2013.

Allocation of savings balance for example:

- A. £16,000 to part 3. As this is the loan part on which the highest interest rate is charged
- B. £14,000 to part 2 (£30,000 less £16,000) to part 2. Both loan parts 1 & 2 have the same interest rate charged, both parts are fixed rates, but part 2 is the most recently completed on the loan part.



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Part and part mortgage

This is a combination of the two mortgage repayment methods referred to on page 12. Therefore, if you have a repayment strategy that does not cover the whole of the loan, the remaining balance could be placed on a repayment basis.

If you have a loan that is part interest-only and part repayment (capital and interest), you should note the following points:

- Where the mortgage product on both parts of your mortgage are the same, we will allocate the benefit from your Offset savings account to your repayment part first. We are unable to offer you the option of changing this or selecting to offset the interest-only part first. For further details on the allocation of the benefit from your Offset savings accounts please see 'Allocation of your Offset savings' on page 47
- The outstanding balance on a repayment mortgage (or mortgage part) reduces over time and therefore the balance which can be offset by your savings balance also reduces. Any surplus savings balance exceeding the balance on the repayment part of your mortgage will be allocated to your interest-only part. However, if your savings account has a higher balance than the mortgage account, you will get no benefit on your mortgage from this.

Opening an Offset savings account

You must open at least one Offset savings account at the same time as your Offset mortgage completes. Additional accounts can be opened at any time once your Offset mortgage has completed. You may have up to three savings accounts in total linked to your Offset mortgage if you wish. These accounts may be Offset savings accounts in your name or Offset Plus accounts held by others e.g. family and friends. One of the offset accounts must be in the borrower's name and a maximum of two Offset Plus accounts are permitted. By taking advantage of the Offset Plus feature, family and friends can help to increase the total offsetting benefits on your mortgage whilst still controlling their savings. For more information on Offset Plus please see page 52.

Paying money into your Offset savings account

You can pay money into your Offset savings account at any of our branches or agencies.

You can pay by cheque or Banker's Draft, though you will only get the benefit from offsetting after two working days from receipt of the cheque. See page 21 for more details.

If you wish to make regular payments into your Offset savings account you can set up a standing order. Please call our Customer Contact Centre for details.

You can also transfer money from our other savings accounts to your Offset savings account subject to the terms and conditions of those other accounts.



Operating balance

You can open an Offset savings account with a zero balance. You are not allowed to go overdrawn. If you do, the amount by which your savings account is overdrawn will effectively increase your mortgage balance for interest charging purposes.

If the total Offset savings balance(s) is greater than your Offset mortgage balance, you will not pay any interest on your offset mortgage, but you will not receive any interest for the surplus amount in your Offset savings account. Therefore we strongly advise that you do not allow the savings balance to become greater than your mortgage balance. We have a number of competitive savings accounts that will pay you interest so you could consider investing any surplus in one of these accounts instead. Unfortunately we cannot link these accounts to your Offset mortgage. All savers should declare interest earned when making a tax return. It is your responsibility to make this declaration.

Withdrawals

Where the terms of your account allow immediate access to your funds, withdrawals on demand from branches are limited to:

- Cash – £1,000 on any one day or up to £5,000 by giving a few days' notice
- A maximum amount of £5,000 cash in any seven day period
- Cheques – Cheque withdrawals can be processed for any amount, subject to the account terms and conditions and the available balance

Withdrawals on demand from agencies are limited to:

- Cash – £500 on any one day
- A maximum amount of £1,000 cash in any seven day period
- Cheques – £150,000

These limits apply irrespective of the number of accounts you may have with us and whether an account is a sole or a joint account.

Proof of identity may also be required when making withdrawals.

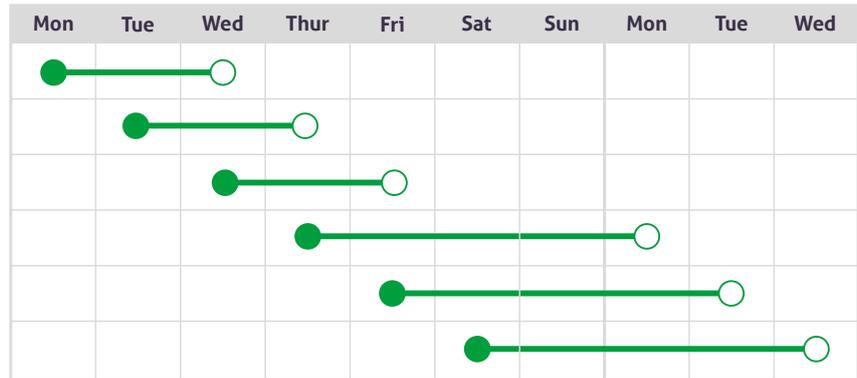
Please note that withdrawals from your Offset savings account may affect your monthly mortgage payments as the amount offset against your mortgage balance will decrease.

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Payment and withdrawal timescales

The table below shows the day on which you will receive the benefit of any cheque payment into your Offset account. It applies to both your Offset mortgage and Offset savings accounts.

- Day cheque paid into branch
- Funds start being used to offset the mortgage balance and will be available for withdrawal by midnight.



Please note cheques paid in on non-working days will be treated as received on the next working day (working days exclude Saturdays, Sundays and Bank Holidays).

For the following types of payment the interest benefit will be applied to your account on the day we receive the credit. In addition, if paid into your Offset savings account, you will also be able to use your money on the day we apply the credit to your account:

- Cash
- Electronic transfer (CHAPS)
- BACS transfer
- Faster Payments
- Standing order
- Bank giro
- Internal transfer of cleared funds between Society accounts



Joint accounts

A maximum of two borrowers may open an Offset savings account. We will assume that any benefit arising from the use of the total Offset savings balance to reduce interest charged on the Offset mortgage is to be divided equally between the borrowers. We will not be able to calculate any individual benefit.

Statements

We will send you a full investment statement every three months if transactions have taken place. Additionally, you will receive an Offset mortgage statement in January, which will also show your Offset savings balance.

If your statement has an entry that seems wrong you should contact us immediately so we can resolve the matter.

Managing your Offset account online

To register for online transfers, you'll need to contact our Customer Contact Centre on 0345 1200 200 or write to your nearest branch or our Customer Savings Department to organise a transfer.

You can register to access and manage your Offset account online at www.ybs.co.uk/register. This allows you to:

- View your Offset mortgage and savings account balances, including year-to-date statements and transaction searches
- Transfer money from your Offset savings accounts to up to five external and three internal savings accounts
- View all your accounts together on one screen



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SUMMARY BOX

Account Name	Offset Savings
What is the interest rate?	<p>No interest is paid on this account</p> <p>Whether you need to pay tax is dependent on your own personal circumstances and so may be subject to change in the future.</p> <p>† Interest is paid gross i.e. without tax being taken off on all our savings accounts – ISA accounts pay interest tax-free.</p> <p>* AER stands for the Annual Equivalent Rate and shows you what the interest rate would be if interest was paid and added each year. This will enable you to compare more easily the return you can expect from your savings over time.</p>
Can Yorkshire Building Society change the interest rate?	Not applicable for this account.
What would be the estimated balance after 12 months based on a £1000 deposit?	Not applicable for this account. The balance in this account will be Offset against the balance of your Yorkshire Building Society Offset mortgage for the purposes of calculating interest on your mortgage.
How do I open and manage my account?	<p>Eligibility The Offset Savings account is only available in conjunction with a Yorkshire Building Society Offset mortgage.</p> <p>Account management The account can be managed online. The minimum balance is £zero. The maximum balance is up to 100% of your Offset mortgage.</p>
Can I withdraw money?	<p>Withdrawals The Offset Savings Account allows instant withdrawals, subject to daily limits without loss of interest. Please contact us for more details.</p> <p>Maturity After repayment of the balance of the Yorkshire Building Society Offset mortgage, the balance in the Offset Savings Account (if any) will be transferred to an Access Saver account as soon as reasonably practicable and, in any event, within 30 days.</p>

* Subject to daily limits shown on page 49.

Offset Plus savings account

Offset Plus is an instant access, passbook based savings account which third parties i.e. family and friends, use to link their savings to the borrower's Offset mortgage. Offset Plus savings balances are linked to the nominated Offset mortgage, so helping to increase the offsetting benefit but not earning any credit interest. The Offset Plus savings account holder owns and controls their savings account and makes additions and withdrawals to/from the account as they choose.

The Offset Plus account holder can:

- Pay money into their Offset Plus savings account at any of our branches or agencies. They can also transfer money from other Yorkshire Building Society savings accounts to their Offset Plus savings account subject to the terms and conditions of those accounts
- Withdraw by cash and/or cheque from our branches and agencies (details of which agencies offer this service are available by calling our Customer Contact Centre on 0345 1200 200). For operational reasons we impose limits on the amounts that can be withdrawn; the limits are set out on page 49 and are subject to change from time to time

Details of the Offset Plus savings account can be found in our booklet 'Offset Plus for savers'.

Events that may happen during the life of your Offset savings account

Change of address

You must notify us in writing if you move out of the property or if you require mail to be sent to an alternative address. We may need proof of your new address.

Change of name or marital status

You should notify us in writing of any changes, and send us an original copy of your marriage certificate, decree absolute or change of name deed.

Death of a saver

You should notify us as soon as possible of the death of a saver. The original death certificate is required.

If the Offset savings account is in joint names it will automatically be placed in the name of the remaining saver(s), who will then own the account and be able to operate it.

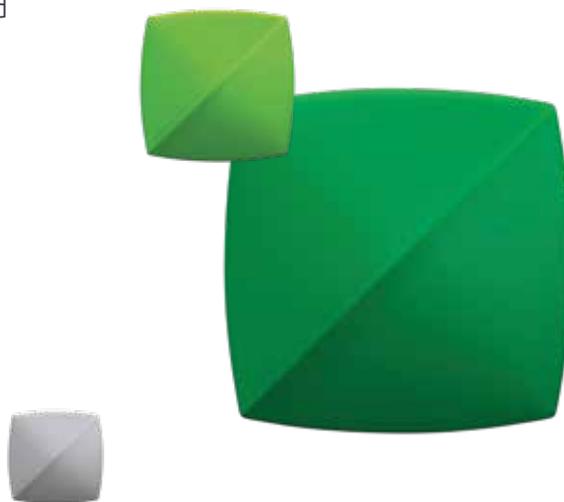
There must always be at least one Offset savings account. If the death of a saver results in closure of the sole Offset savings account, a new account must be opened in one or more names remaining on the Offset mortgage account. If a new account is not opened the mortgage account will be transferred to our standard variable rate of interest and our non-Offset terms will apply.

We reserve the right to close your Offset savings account. We will notify you if we do this.

When your Offset mortgage is repaid in full

An Offset savings account including Offset Plus account(s) do not earn any interest even after your Offset mortgage is repaid.

Further details on Offset can be found in our 'Offset Account Terms' booklet issued with your mortgage offer.



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WHAT ELSE SHOULD YOU KNOW?

Important information about compensation arrangements

Your eligible deposits with Yorkshire Building Society are protected up to a total of £85,000 by the Financial Services Compensation Scheme, the UK's deposit protection scheme.

This limit is applied to the total of any deposits you have with the following: Yorkshire Building Society, Chelsea Building Society and offset deposits through our subsidiary Accord Mortgages Limited. Any total deposits you hold above the £85,000 limit between these brands are unlikely to be covered. For further information please call us on 0345 1200 100, ask at your nearest branch, or visit the FSCS website at www.fscs.org.uk.

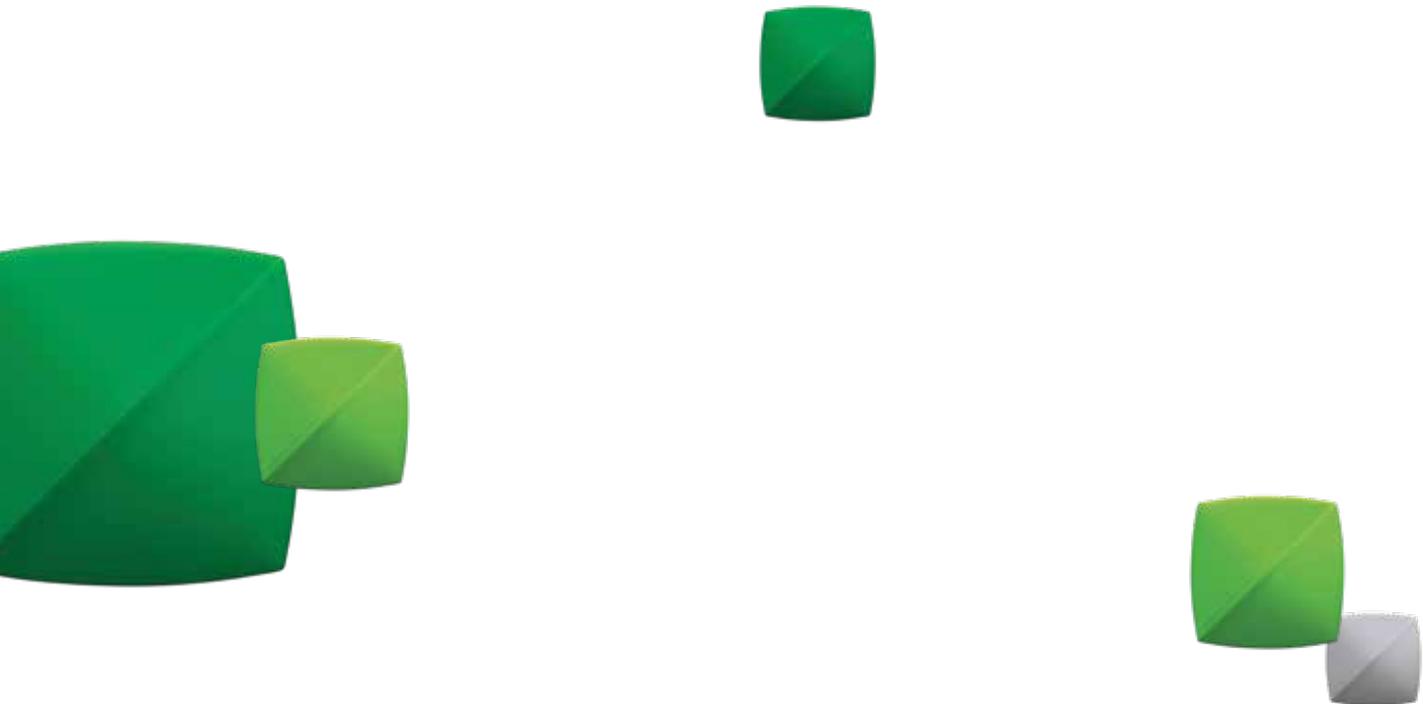
Not happy with our service?

If at any time you're not satisfied with the service you've received, please let us know. We have a simple process enabling you to do this, the details of which are in our leaflet 'we're here to help you – our complaints process', which you can obtain at any of our branches or by calling us on 0345 056 5252.

If we cannot come to a resolution to your satisfaction, you may have the right to refer the matter to the Financial Ombudsman Service, of which we are a member.



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A mortgage is subject to the mortgage conditions and mortgage loan terms (or offset account terms in the case of an offset mortgage), copies of which will be given to all applicants when a mortgage offer is issued. These terms and conditions take precedence over information contained in this booklet or any other information given to you.

Applications subject to standard lending criteria and all loans subject to status.

We are a member of the Financial Ombudsman Service.

Our printed material is available in alternative formats e.g. large print, Braille or audio. Please contact your nearest branch or call us on **0345 1200 200**.

All communications with us may be monitored/recorded to improve the quality of our service and for your protection and security.

Calls to 03 numbers are charged at the same standard network rate as 01 or 02 landline numbers, even when calling from a mobile. Calls to 0800 numbers are free of charge from a landline or mobile.

Yorkshire Building Society is a member of the Building Societies Association and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Yorkshire Building Society is entered in the Financial Services Register and its registration number is 106085. Head Office: Yorkshire House, Yorkshire Drive, Bradford BD5 8LJ.

As an intermediary, we act on behalf of RSA in arranging your insurance. Yorkshire Building Society Home Insurance is underwritten and administered by Royal & Sun Alliance Insurance plc (No. 93792). Registered in England & Wales at St Marks Court, Chart Way, Horsham, West Sussex RH12 1XL. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

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