Mortgages

Understanding your mortgage statement

These notes and example statement are to assist you in understanding your statement. The items in the example will only appear on your own statement if they apply to your account. If you have any questions about your statement or your account that are not answered by these notes, please call the Skipton Mortgage Helpline on 0345 850 1711

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Your Mortgage Statement Notes

Personal details

If any of the details we have for you are incorrect, please call us on 0345 850 1711.

Payments and charges

We may make an interest rate change after a payment has been made. As interest for the month is calculated in advance, an interest rate increase will result in a higher amount of interest being charged to your account, and will increase the balance outstanding. The opposite applies in the event of an interest rate decrease.

This statement shows the amount of payment due each month and the payments you have made over the year. Any fees you have paid in advance have not been debited to your mortgage balance therefore the payment received from you will not be shown in this statement. If there are any discrepancies, please forward the statement and any supporting documents to us at Customer Delivery, Skipton Building Society, Principal Office, The Bailey, Skipton, North Yorkshire, BD23 1DN.

Payments by standing order or giro credit take several days to reach us, so there may be a slight difference between the date on your bank statement and that shown on your mortgage statement, particularly over bank holiday periods.

Arrears and Arrears Charges

Where arrears charges have been debited to your account on 31 January 2014, these represent the amount charged for the year ended 31 December 2013.

Any charges incurred during the year will be added to your account on the 31 January and will attract interest from 1 February unless paid directly to us before this date.

It is essential that regular monthly payments are maintained. If for any reason you are unable to do so, you must immediately contact the Credit Management department on 0345 851 1766 and we'll do what we can to help.

Additional Cover

If you have not already done so, you are advised to consider some form of life cover to enable your mortgage to be repaid in the event of death prior to the end of the mortgage term. For more information, call us on 0345 850 1777.

Interest

The interest charge shown on your statement is the annual interest charge.

Endowment Compensation Payments

If you have received, or do receive, any compensation payment relating to a policy connected to this mortgage, you must notify the Society immediately and you should use it to reduce your mortgage debt.

Important information for our Borrowers - Our variable rates

We introduced our Residential Mortgage Variable Rate (RMVR) and our Buy to Let Mortgage Variable Rate (BMVR) on 14 November 2012. These are different to our Residential Standard Variable Rate (RSVR) and our Buy to Let Variable Rate (BSVR).

These rates may change by different amounts and at different times. The RMVR and BMVR do not have a ceiling.

This will not affect you if your existing mortgage was taken out before 14 November and is on, or will move onto, RSVR, BSVR or a Base Rate Tracker.

If you take out additional borrowing, including when you port your mortgage to a new property, or you switch mortgage products, all new product deals will move to RMVR or BMVR when they end.

Mailing Reminder

Skipton Building Society, other companies within the Skipton Building Society Group and our third party providers may occasionally bring to your attention additional products, services and other promotions in writing, by telephone or by email. We will only do this by the methods to which you have previously agreed. You can change your preferences by writing to the Society or if you are registered for Skipton online by logging on and going to 'My Account'.

If you would like this in large print, Braille or audio, please contact us on 0345 850 1711 or fax 01756 705700.

Please read the Explanation Notes on page 6 which will correspond with each number.

Your Mortgage Statement Summary

YOUR ANNUAL STATEMENT IS AN IMPORTANT DOCUMENT AND SHOULD BE KEPT IN A SAFE PLACE

000001/02/03

Account name:

Account number: 123456789 1

Remaining mortgage term: 10 years 8 months 2

Security address: Sample Street
Sample District
Sample Town
Sample Country
ABC 123

Mortgage type: Interest Only 3

This is an interest only mortgage. This assumes that you pay back the total amount borrowed on an interest only basis as a lump sum at the end of the mortgage term. Your mortgage does not include the costs of any savings plan or other investment you may have arranged to build up a lump sum to repay the amount you borrowed. It is important to check regularly that your savings plan or other investment is on track to repay this mortgage at the end of the term.

Your insurance cover 4

Company	Cover for 2015	Sum insured	Monthly premium

You have made separate arrangements for your buildings insurance. Your mortgage payment does not therefore include these premiums.

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Interest rates charged 5

Effective from	Rate	Effective from	Rate	Effective from	Rate
20/02/14	4.750	01/12/14	4.280		
01/06/14	2.990				
01/08/14	3.190				
01/09/14	3.670				

Information 6

Total amount required to repay this account if it had been redeemed on 31 December 2014. The repayment amount includes fees:

Redemption Administration Fee:	£125.00
Early Repayment Charges:	£5644.94
Total amount:	£109293.63

Early Repayment Charges on this account will apply until 31 May 2015
Interest up to the end of the month of redemption will be charged if there is no Early Redemption Charge Shown.

In some circumstances additional charges may be payable. Should you wish to redeem your mortgage, please ask for a formal redemption statement.

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Your Mortgage Transactions

Please note: The first two columns show month and actual contractual monthly payment due. This may differ from actual payment received, depending on whether you are making regular overpayments or have some other agreed arrangement with us.

Account transaction details

8 Date	9 Payment due	10 Transactions	11 Date	12 Payments	13 Advances & charges
Jan 14	£399.00	OPENING BALANCE	01 Jan 14		£102868.76
		DIRECT DEBIT	01 Jan 14	£475.00	
Feb 14	£399.00	DIRECT DEBIT	01 Feb 14	£475.00	
Mar 14	£422.00	DIRECT DEBIT	01 Mar 14	£475.00	
Apr 14	£422.00	DIRECT DEBIT	01 Apr 14	£475.00	
May 14	£422.00	COMPLETION FEE	12 May 14		£499.00
		DIRECT DEBIT	01 May 14	£475.00	
Jun 14	£259.00	DIRECT DEBIT	01 Jun 14	£259.00	
Jul 14	£276.00	DIRECT DEBIT	01 Jul 14	£276.00	
Aug 14	£276.00	DIRECT DEBIT	01 Aug 14	£276.00	
Sep 14	£276.00	DIRECT DEBIT	01 Sep 14	£276.00	
Oct 14	£321.08	DIRECT DEBIT	01 Oct 14	£321.08	
Nov 14	£321.08	DIRECT DEBIT	01 Nov 14	£321.08	
Dec 14	£321.08	DIRECT DEBIT	01 Dec 14	£321.08	
	£4114.21			£4425.21	£103367.76

14	Add gross interest:	£4531.14
	Less total payments:	£4425.21
15	Balance at 31 December 2014:	£103473.69

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Skipton Building Society is a member of the Building Societies Association and Financial Ombudsman Service. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority under registration number 153706 for accepting deposits, advising on and arranging mortgages and insurance. Principal Office, The Bailey, Skipton, North Yorkshire BD23 1DN. Stock Code: 10-7516_304273NL_22/12/14

Explanation Notes

1. This is your mortgage account number, please quote this should you need to contact us.
2. This is the length of time remaining, as at 31 December 2014, before you are required to redeem your mortgage.
3. This section explains if your mortgage is on repayment or interest only. If your mortgage is interest only you will need to ensure that you have the means to repay the balance at the mortgage end date. Please read the 'Important reminder' on pages 7 and 8.
4. This section shows the insurance type, sum insured and premium arranged through the Society for 2015. Insurance premiums are included in your primary mortgage monthly payments. Full cover details on any insurance arranged through the Society can be found in either your Insurance Renewal (issued in December) or your Insurance Schedule (for mortgages completed in December).
5. This section shows the interest rates which have been applied to your account over the past year.
6. This section shows how much it would have cost to repay your mortgage, as at 31st December 2014.
7. This states whether your mortgage is regulated by the Financial Conduct Authority and Prudential Regulation Authority.
8. This states the month in which payment is due.
9. This shows the minimum monthly payment due. This is based on the balance outstanding, at the prevailing interest rate and, if applicable, over the term remaining. The payment due may be less than the payment made if you make regular overpayments. The payment due may be more than the payment made if you have a payment arrangement in place.
10. This shows the description of the payments and debits to the account. The opening balance will start 1 January 2014 unless you completed your mortgage after this date.
11. This shows the date on which the payment is effective.
12. This column illustrates all payments credited to your accounts, i.e your monthly mortgage payments, one off payments against fees etc.
13. Any fees or charges debited to your account will show in this column. If you made a cheque payment to cover these costs you will note that the fee is offset by a corresponding credit in the "Payments" column.
14. This figure represents the total interest charged over the year.
15. This figure represents the final balance at the end of the year and becomes the opening balance for year 2015.
16. If you have incurred any arrears charges or have any arrears outstanding at 31 December 2014 these will show here.

IMPORTANT REMINDER – INTEREST-ONLY MORTGAGES

For customers with an interest-only mortgage.

Interest-only

Your mortgage statement confirms if you pay all of your mortgage on an interest-only basis. This means that the monthly payments you make to us do not include any amount to repay the capital so your balance will not reduce.

Your mortgage payments do not include any contribution to any other investment policy designed to repay your mortgage at the end of its term (an endowment policy or investment linked policy for instance).

Please be aware that it is your responsibility to make sure that you repay your mortgage by the end of its term.

If you have an investment policy in place, you should check regularly that it is still on track to repay your mortgage. You should also check that it is still sufficient for its purpose, as you may have increased your borrowings or your circumstances may have changed since you originally took out your mortgage. If you do not take action in good time, there is a higher risk that you will not be able to repay your mortgage as agreed at the end of its term. If this happens, you may end up having to sell your home to repay the loan. The closer you are to the end date of your mortgage the more urgent it is to review your plans. But it is very important even if the end date is decades away.

If you have no investment policy in place to make sure your mortgage is paid back at the end of the term, we strongly recommend you ask your financial adviser for advice as soon as possible.

If you are unsure whether you have an investment policy in place to repay your mortgage, you should ask yourself, do I:

- have relevant policy documents?
- receive regular statements about my policy/ies?
- pay separate monthly premiums from my bank account?

If the answer to any of these questions is no, you should contact us to discuss your options, or speak to the adviser who arranged your mortgage, about changing the repayment method and to consider whether your dependants have adequate protection in the event of your death or critical illness.

If you can, and the terms and conditions of your mortgage allow it, you should consider making regular or one off repayments of capital. Overpayments will help you to build up your equity and reduce your debt, which will increase the options available to you later. If this option is not available under your current mortgage, but you think you could increase your payments or make a one off payment, please call us. Alternatively, you can transfer your mortgage to a Capital and Interest repayment basis.

‘Part and Part’ mortgages

Your mortgage statement confirms if you pay part of your mortgage on an interest-only basis. If your mortgage is part repayment and part interest-only, then you should check regularly that you are still on track to repay the interest-only part of your mortgage by the end of its term. Please see the section above, Interest-only, for further guidance on repaying your mortgage.

Additional information on endowments only

The Financial Conduct Authority (FCA) and Prudential Regulation Authority require that all insurers send out a letter (called a re-projection letter) which tells you if your policy is on track to repay the target amount and will show you the options available to meet any shortfall.

Other ways to repay an interest-only mortgage

In addition to the usual investment policies, you may have decided to repay your mortgage by other means. We have described some of these below and have included points you should consider:

Where you are intending to sell the property at the end of the mortgage term, repay the mortgage and move to a smaller property (downsizing) you should consider your ambitions for the smaller property. For example, a smaller home can cost as much as a larger one and you may find that after repaying the mortgage that you do not have sufficient funds to buy the property you originally thought you would be able to afford.

Where you are relying on the sale of other property (eg a second property that you rent out), you should consider the value of that property and any debts secured against it. Your property may not grow in value enough to repay your mortgage. You should also consider that your property may not sell quickly and sufficient time should be allowed towards the end of the mortgage term to enable you to receive the cash proceeds from the sale.

Where you are relying on an inheritance to repay your mortgage, you should consider the following factors:

- You may not receive the funds by the end of the term
- An inheritance can be greatly reduced if your relatives have to pay for long-term nursing care
- The amount of inheritance tax (IHT) you may have to pay
- Your relatives may decide to release equity in their property during their retirement thus reducing the amount of any inheritance.

We regularly contact customers with an Interest-Only or 'Part and Part' mortgage to establish what repayment strategy is in place to enable the loan to be repaid at the end of the mortgage term and to encourage you to review your plans. If you receive a letter, please consider it carefully and act on it. If you have a problem or if you think you may have trouble paying off the loan at the agreed time but don't respond to us, we will not be aware of your circumstances and cannot help you.

If your mortgage is not repaid at the end of the mortgage term, the Society may take possession of your home in order to clear the remaining balance. Repossession is only ever a last resort and we will always do our utmost to work with you to find a better solution. But the later you leave it, the more difficult it may be to find alternatives if you do not have a repayment strategy in place.

PAYMENT INTO RETIREMENT

Does your mortgage continue when you or your partner retires?

If you have a mortgage and/or a repayment strategy that continues beyond your anticipated retirement date, you should regularly consider if you will still be able to continue to meet your payments after retirement. This is particularly important if you decide to retire early.

It's worth taking advice in these circumstances to see if it's suitable and possible to reduce the term or to change the repayment method if you are making payments of interest only.

If you are still in doubt, please refer back to your original adviser or check with us. Call us on 0345 850 1755 or visit your local branch.

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

Visit your branch
0345 850 1711
skipton.co.uk

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