

Interest Only Repayment Strategy – Customer Declaration

If you don't understand any of the points in this document, you must discuss these with your Mortgage Broker

Borrowing with an interest only mortgage means your balance (including any fees added) will not reduce. Your monthly payment only covers the interest charged each month.

The mortgage amount you borrow (i.e. the capital) will remain outstanding at the end of term. It is your responsibility to repay the outstanding mortgage balance at the end of the term.

The value of your chosen repayment vehicle can go down as well as up and this could affect your life plans and ability to repay the mortgage balance in full at the end of term.

The Society will periodically check in with you to understand how your intended repayment strategy is performing, but it is recommended you annually review its performance.

Your chosen repayment Strategy is:

☐ Sale of other UK property

☐ Investment vehicle

☐ Pension

☐ Endowment

☐ Investment portfolio

☐ Other - please specify

Your declaration

1. I/we understand the implications of taking an interest only mortgage, and
2. Understand the monthly payments will only repay the interest and not reduce the mortgage balance, and
3. at the end of my/our mortgage term I/we are responsible for repaying the outstanding mortgage balance, and
4. If the balance is not paid from my/our chosen repayment vehicle, I/we would have to sell my/our home and use the proceeds to repay the mortgage, and;
5. I/we have fully discussed this with our mortgage advisor and understand the implications of relying on my/our chosen repayment strategy at the end of term.

Applicant 1

First name(s)

Surname

Signature

Date

DD / MM / YYYY

Applicant 2

First name(s)

Surname

Signature

Date

DD / MM / YYYY

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