

WHAT IS A 'PORTABLE MORTGAGE'?

Portable mortgages can be transferred from your client's existing home to their new one when they buy a new property, giving them the reassurance of keeping their current interest rate terms and other scheme terms. Most of our mortgage schemes are portable, but please check because different schemes have different rules.

How much can be transferred to a new property?

Your client can move all or part of their portable mortgage scheme to a new property, and they may be able to borrow more, subject to our lending criteria and the terms and conditions of their existing scheme(s).

If they wish to borrow up to an additional £5,000 in total, they can take this on their existing portable mortgage scheme(s), but please check 'Are there any exceptions?' for further information. If they need more than this, they will need to take all the new borrowing on one of our current mortgage schemes.

Are there any costs to consider?

If they have borrowed additional funds, the mortgage will be divided into accounts known as sub-accounts. If they port at least £5,000 from each sub-account they won't have to pay any early repayment charges (ERCs), subject to the requirements of our porting policies. There will be a booking fee and your clients may have to pay an arrangement fee if they take out a new mortgage scheme, and they must complete the purchase of the new property within a given timescale – see below for details.

PORTING POLICIES

Our general porting policy

- Where this porting policy applies, your client can take their existing scheme(s) to a new property.
- The minimum amount that can be ported is £5,000 per sub-account.
- The maximum amount that can be ported on the existing scheme(s) is the total balance outstanding at the time they redeem the mortgage, plus up to a total of £5,000. If they require more than £5,000 additional borrowing, all the additional borrowing will need to be on a new scheme.
- The scheme(s) can only be used to purchase a new property, not to remortgage a property they already own.
- Completion must be on a working day within six months of redeeming the existing mortgage.
- To receive a full refund of any ERCs, the purchase must be completed during the initial/benefit period of the mortgage (such as the first three years of a 3 Year Fixed Rate mortgage), and within six months of redeeming the existing mortgage. The purchase must also be funded by:
 - the existing full mortgage balance, or
 - a minimum of £5,000 from each sub-account and no new borrowing, or
 - the full mortgage balance plus a new mortgage scheme¹ (or increased funds on an existing Offset mortgage scheme).

¹ Does not apply to Self-certification mortgages.

Stroud & Swindon or ITL mortgage schemes before 1 October 2011

If the mortgage scheme(s) was/were taken out with Stroud & Swindon Building Society or ITL Mortgages Ltd before 1 October 2011, the following applies:

- Your client can take the existing scheme(s) to a new property or take out a new mortgage scheme.
- The minimum amount that can be ported is £5,000 per sub-account.
- The maximum amount that can be ported on the existing scheme(s) is the total balance outstanding at the time they redeem the mortgage, plus up to a total of £5,000. If they require more than £5,000 additional borrowing, all the additional borrowing will need to be on a new scheme.
- The scheme(s) can only be used to purchase a new property, not to remortgage a property they already own.
- Completion must be on a working day within twelve months of redeeming the existing mortgage.
- To receive a full refund of any ERCs, the purchase must be completed during the initial/benefit period of the mortgage (such as the first three years of a 3 Year Fixed Rate mortgage), and within twelve months of redeeming the existing mortgage. The purchase must also be funded by:
 - the full mortgage balance, or
 - a minimum of £5,000 from each mortgage scheme and no new borrowing, or
 - the full mortgage balance plus a new mortgage scheme¹.
- Where a new mortgage scheme has been chosen instead of porting the existing scheme(s), a minimum balance of £5,000 must be taken on the new mortgage scheme.

¹ Does not apply to Self-certification mortgages.

What if my client has both porting policies applied to their mortgage?

It is possible that both policies could apply to your client because each scheme has its own relevant porting policy. For example, if the main loan was with Stroud & Swindon Building Society and they subsequently took out a further advance with Coventry Building Society.

In this case, they will need to complete the new mortgage within six months of redeeming the existing mortgage to benefit from a full refund of any ERCs.

ARE THERE ANY EXCEPTIONS?

Some mortgage types or schemes have specific policies in addition to our general porting policies and these are summarised below. Some of these schemes may not be available to Godiva or ITL customers.

Offset

When porting an Offset mortgage and borrowing more, all additional borrowing must be on the existing Offset mortgage scheme, subject to lending criteria and the maximum loan to value (LTV) allowed on the Offset scheme.

Residential Flexx for Term

When porting a Residential Flexx for Term mortgage and borrowing more, they can add to the existing mortgage scheme or take the extra borrowing on a new mortgage scheme, subject to lending criteria and the maximum LTV allowed on the Flexx for Term scheme.

MOREgage

When porting a MOREgage and borrowing more, they can add up to £5,000 to the MOREgage mortgage scheme. If they need to borrow more than £5,000 they can apply to borrow all the additional funds at our Standard Variable Rate.

The personal loan element of a MOREgage is not secured on the property and the value and term of the personal loan cannot be changed. Your client can keep the personal loan when they move, but if they change the mortgage scheme to something other than another MOREgage scheme, the personal loan rate will increase by 5%. The unsecured personal loan is not regulated by the Financial Services Authority and is provided in accordance with the Consumer Credit Act.

Self-certification

When porting a Self-certification mortgage, they can transfer up to the total outstanding mortgage balance. They may also be able to borrow up to an additional £5,000.

If they need to borrow more than £5,000 they cannot port the mortgage, and will need to apply for a new Residential mortgage for the full amount required. This will include providing proof of current income. In this case, fees relating to the new mortgage and any ERCs are payable and non-refundable.

Credit Impaired

When porting a Credit Impaired mortgage, they can transfer up to the total outstanding mortgage balance. They may also be able to borrow up to an additional £5,000.

If they need to borrow more than £5,000 they cannot port the mortgage, and will need to apply for a new Residential or Credit Impaired mortgage, where available, for the full amount required. This may include providing proof of current income. In this case, fees relating to the new mortgage and any ERCs are payable and non-refundable.

Flexible mortgages (with a drawdown facility)

When porting a Flexible mortgage (with a drawdown facility) your clients may transfer up to the current outstanding mortgage balance, plus the total available amount on the drawdown facility.

If they need to borrow more, they can apply to add up to a total of £5,000 to the existing scheme(s). If they want more than £5,000 above the total of the current outstanding mortgage balance and available drawdown facility, then the extra amount must be taken on an appropriate new Residential or Buy to let Flexible Mortgage scheme (with drawdown facility). Fees relating to the new mortgage scheme will be payable.

Stroud & Swindon Buy to Let mortgages

When porting a Buy to Let mortgage originally arranged through Stroud & Swindon Building Society they may transfer up to the current outstanding mortgage balance to purchase a new property.

If they need to borrow more, they can apply to add up to a total of £5,000 to the existing schemes. If they need to borrow more than £5,000 then the extra amount can be taken on a new Stroud & Swindon Buy to Let mortgage scheme or a new Coventry Buy to Let mortgage scheme.

IMPORTANT INFORMATION

Please remember that we reserve the right to vary the details of our porting policies at any time. Any lending we agree to will be subject to your clients meeting our lending criteria at the time they apply to port the mortgage and, if applicable, increase their borrowing.

We will assess their requirements based on our lending policy, the LTV limits of the scheme and their ability to meet the repayments on the mortgage.

www.coventryintermediaries.co.uk

All information is subject to change. Product information is subject to availability and may change. This information is for intermediaries only and is not intended for distribution to potential customers.

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