

# **OUR FEES AND CHARGES EXPLAINED**

**DECEMBER 2009**

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# WE GO FURTHER TO KEEP YOU INFORMED

This leaflet provides you with details of the Society's mortgage fees and charges. These charges are made in the following broad circumstances: when a customer takes out a mortgage; during the life of the mortgage and when the mortgage is redeemed.

If you have any queries or problems at all, we're only a telephone call away. Just phone our Customer Service Centre on 0845 7665522, open Monday to Friday 8am-8pm, Saturday 9am-5pm and Sunday 10am-4pm.

Mortgages are only available for properties in England, Wales, Northern Ireland and mainland Scotland.

## DESCRIPTION OF CHARGES HOME PURCHASE FEES

### Mortgage valuation

An inspection carried out for the benefit of the Society to determine if a property forms good security for a loan. The mortgage valuation is a limited form of inspection and should not be relied upon when deciding whether to purchase a property. **Only valuations instructed by the Society and conducted by one of our panel of valuers are acceptable.**

A valuation fee may be charged at application stage, in accordance with the sliding scale shown on pages 4 and 5. This can be paid by Credit/Debit card or cheque. **This fee is not refundable.**

In certain circumstances we may choose to use alternative methods to ascertain the value of the property. This will not involve the Society instructing a valuation and therefore a fee will not be applied.

### Homebuyer's Report

An optional alternative to the mortgage valuation. It provides a more detailed inspection and lists any major faults that are obvious to the valuer. However, it is not a full structural survey.

If you choose to undertake this option through the Society a fee, to cover the cost of the work involved in providing the report, will be charged in accordance with the sliding scale below. The report will be issued directly to you. **This fee is not refundable.**

There is no obligation to use the Society’s valuer panel for a Homebuyer’s Report. If you wish you can instruct a separate survey yourself. Any fees for this service will be agreed between yourself and the surveyor, and the report will be issued directly to you. In this circumstance, the Society will still instruct a valuer to provide a mortgage valuation to determine if the property forms suitable security for a mortgage. You will only pay for your Homebuyer’s Report. The Society will cover the cost of the valuation.

## HOME PURCHASE FEES

Purchase Price/Est. Value Not Exceeding	Mortgage Valuation Fee	Homebuyer’s Report
£60,000	£95	£230
£75,000	£110	£280
£100,000	£125	£330
£125,000	£125	£330
£175,000	£160	£410
£200,000	£195	£410
£300,000	£245	£510
£400,000	£295	£610
£500,000	£345	£700
£600,000	£445	£795
£700,000	£465	£895
£800,000	£555	£995
£900,000	£600	£1,095
£1,000,000	£655	£1,195
£1,200,000	£795	£1,400
£1,400,000	£915	£1,600
£1,600,000	£1,035	£1,800
£1,800,000	£1,155	£1,995

Purchase Price/Est. Value Not Exceeding	Mortgage Valuation Fee	Homebuyer's Report
£2,000,000	£1,275	£2,200
£2,200,000	£1,395	£2,400
£2,400,000	£1,515	£2,600
£2,600,000	£1,635	£2,800
£2,800,000	£1,755	£3,000
£3,000,000	£1,875	£3,195
£3,200,000	£1,995	£3,400
£3,400,000	£2,155	£3,600
£3,600,000	£2,230	£3,800
£3,800,000	£2,355	£4,000
£4,000,000	£2,470	£4,200
£4,200,000	£2,595	£4,400
£4,400,000	£2,710	£4,595
£4,600,000	£2,835	£4,800
£4,800,000	£2,950	£5,000
£5,000,000	£3,075	£5,200
£5,500,000	£3,315	£5,545
£6,000,000	£3,555	£5,900
£6,500,000	£3,795	£6,245
£7,000,000	£4,035	£6,600
£7,500,000	£4,275	£6,945
£8,000,000	£4,515	£7,300
£8,500,000	£4,775	£7,645
£9,000,000	£4,995	£8,000
£9,500,000	£5,235	£8,345
£10,000,000	£5,475	£8,700

**NOTE: Only valuations conducted by the Society's panel of valuers are acceptable. Amounts inclusive of VAT. The Homebuyer's Report is a more detailed report than the standard Mortgage Valuation, and details the condition of the property as well as the value.**

# BUY TO LET PURCHASE FEES

## Tax implications of Buy to Let

It is important that you understand the tax implications of owning a Buy to Let property.

The Society is not able to provide tax information, nor should its documentation be relied on in this manner, therefore any information is provided for guidance only. If you have concerns about the effect of Buy to Let ownership on your tax status, it is your responsibility to ensure that you contact your tax office or a suitably qualified financial advisor.

## Mortgage valuation

An inspection carried out for the benefit of the Society to determine if a property forms good security for a loan. It is also to assess the rental return income that the property could reasonably be expected to achieve. The mortgage valuation is a limited form of inspection and should not be relied upon when deciding whether to purchase a property.

**Only valuations instructed by the Society and conducted by one of our panel of valuers are acceptable.** A valuation fee may be charged at application stage, in accordance with the sliding scale shown below. This can be paid by Credit/Debit card or cheque. **This fee is not refundable.**

## Homebuyer's Report

An optional alternative to the mortgage valuation. It provides a more detailed inspection and lists any major faults that are obvious to the valuer. However, it is not a full structural survey.

If you choose to undertake this option through the Society a fee, to cover the cost of the work involved in providing the report, will be charged in accordance with the sliding scale below. The report will be issued directly to you. **This fee is not refundable.**

There is no obligation to use the Society's valuer panel for a Homebuyer's Report. If you wish you can instruct a separate survey yourself. Any fees for this service will be agreed between yourself and the surveyor, and the report will be issued directly to you. In this circumstance, the Society will still instruct a valuer to provide a mortgage valuation to determine if the property forms suitable security for a mortgage. You will only pay for your Homebuyer's Report. The Society will cover the cost of the valuation.

# BUY TO LET PURCHASE FEES

Purchase Price/Est. Value Not Exceeding	Mortgage Valuation Fee	Homebuyer's Report
£60,000	£110	£230
£75,000	£120	£230
£100,000	£145	£280
£150,000	£175	£330
£200,000	£205	£410
£250,000	£235	£410
£300,000	£265	£510
£350,000	£295	£610
£400,000	£325	£610
£450,000	£350	£655
£500,000	£385	£705
£600,000	£445	£805
£700,000	£505	£905
£800,000	£565	£1,005
£900,000	£625	£1,105
£1,000,000	£685	£1,205
£1,200,000	£815	£1,410
£1,400,000	£935	£1,610
£1,600,000	£1,055	£1,810
£1,800,000	£1,175	£2,005
£2,000,000	£1,290	£2,210
£2,200,000	£1,415	£2,410
£2,400,000	£1,530	£2,610
£2,600,000	£1,655	£2,810
£2,800,000	£1,770	£3,010
£3,000,000	£1,895	£3,210
£3,200,000	£2,010	£3,405
£3,400,000	£2,135	£3,610
£3,600,000	£2,250	£3,810

Purchase Price/Est. Value Not Exceeding	Mortgage Valuation Fee	Homebuyer's Report
£3,800,000	£2,375	£4,010
£4,000,000	£2,490	£4,210
£4,200,000	£2,615	£4,410
£4,400,000	£2,730	£4,605
£4,600,000	£2,850	£4,810
£4,800,000	£2,975	£5,010
£5,000,000	£3,095	£5,210
£5,500,000	£3,335	£5,560
£6,000,000	£3,575	£5,910
£6,500,000	£3,815	£6,255
£7,000,000	£4,055	£6,610
£7,500,000	£4,295	£6,955
£8,000,000	£4,535	£7,310
£8,500,000	£4,775	£7,655
£9,000,000	£5,015	£8,010
£9,500,000	£5,255	£8,355
£10,000,000	£5,495	£8,710

**NOTE: Only valuations conducted by the Society's panel of valuers are acceptable. Amounts inclusive of VAT. The Homebuyer's Report is a more detailed report than the standard Mortgage Valuation, and details the condition of the property as well as the value.**

## OTHER PURCHASE FEES

### Arrangement Fee

A number of the Society's mortgage schemes include an Arrangement Fee. This fee covers the cost of providing the mortgage funds. The fee may vary depending on the type and terms of the scheme offered. This fee is normally charged on completion of the mortgage and should not be enclosed with your application. You can choose to pay this amount in one go or you can add it to the mortgage. **This fee is not refundable.**

If you add this fee to your loan you will be charged interest on it during the term of the loan and it will be included in the mortgage amount on which the Key Facts Illustration is based.

If you choose to pay the fee in one go, it will not attract interest or affect your monthly mortgage payments, but it will be collected by charging the amount of the fee to your mortgage on completion. **You must pay this amount into your mortgage account immediately after completion to avoid incurring future interest charges on the fee.**

### **Booking Fee**

A Booking Fee is charged to cover some of the costs associated with the mortgage application on certain types of mortgage schemes. The amount depends on the type of scheme applied for and will be contained in your Key Facts Illustration. The application will not be processed until the fee is received by us. This can be paid by Credit/Debit card or cheque. It cannot be added to the mortgage. **This fee is not refundable.**

### **Exception Fee**

This fee is charged when an arrangement is made that is outside the Society's normal lending terms and policy to cover the administration involved. This fee is normally charged to the mortgage on completion and should not be enclosed with your application. **You should pay this amount into your mortgage account immediately after completion to avoid incurring interest charges on the fee. The maximum charge is £500. This fee is not refundable.**

### **Re-inspection Fee**

A £35.00 charge is incurred and paid for by the Society when a valuer is sent out to re-inspect a property to ensure that any work specified to be undertaken in the original mortgage valuation has been completed. If more than one re-inspection is required we will inform you of the cost. This can be paid immediately or added to your mortgage on completion. **If you have the fee added to your mortgage you should pay this amount into your mortgage account immediately after completion to avoid incurring interest charges on the fee. This fee is not refundable.**

### **Higher Lending Charge**

Where the amount of loan is high compared to the value of the property, there is a higher risk of loss to the Society in the unlikely event of the house being repossessed. We make a Higher Lending Charge to help protect us from this risk of loss.

We make this charge on loans above 90% Loan to Value, but it is calculated on the amount of the loan over 75% of the value or the purchase price (whichever is lower). The fee is calculated by multiplying this amount by 7.25%.

For example:

Property value	£	100,000
Mortgage	£	95,000
75% of property	£	75,000
Amount of loan above 75%	£	20,000
Higher Lending Charge	£	1,450 (£20,000 x 7.25%)

Any fees added to the loan are not included in this calculation. The charge is made on completion of the loan and **must be paid as a single payment**, which you should pay immediately after completion to avoid incurring interest charges on the fee. A Higher Lending Charge is not made on further advances.

The Higher Lending Charge is made to help protect the Society from the risk of loss when a house is repossessed and the loan is high compared to the value of the property. It is only for the Society's benefit. If your property is repossessed and then sold for less than the amount that you owe, you will still have to pay the additional amount you owe, including arrears, interest and legal fees. **The Higher Lending Charge is not refunded on redemption of the mortgage.**

## ADDITIONAL LENDING FEES

### Present Day Valuation (PDV)

A valuation may be required when an application for additional lending is submitted. There are a number of ways the Society can determine the value of your property. When you apply for additional lending the Society will select the valuation type most appropriate to your application. **Any fees payable are not refundable.**

For **MORE**gage and Buy to Let additional lending applications, a Present Day Valuation will always be required. **Any fees payable are not refundable.**

#### Estimated Value Not Exceeding

#### FEE

£100,000

£85

£250,000

£145

£500,000

£225

£1,000,000

£325

Over £1,000,000

£330 plus negotiated amount

**NOTE: Only valuations conducted by the Society's panel of valuers are acceptable. Amounts are inclusive of VAT.**

# ADDITIONAL LENDING FEES (BUY TO LET)

Estimated Value Not Exceeding	FEE
£100,000	£95
£250,000	£155
£500,000	£235
£1,000,000	£335
Over £1,000,000	£335 plus negotiated amount

**NOTE:** Only valuations conducted by the Society's panel of valuers are acceptable. Amounts are inclusive of VAT.

## ADMINISTRATION

Costs which relate to additional clerical work involved on an account. These are normally charged to the mortgage account.

**Unpaid cheques** **£20.00**

Charged if a cheque which has been paid into a mortgage account is returned unpaid by the Bank or Building Society.

**Unpaid ground rent** **£50.00**

Where a mortgage is secured on a leasehold property it is usual for the freeholder to charge ground rent or other fees as part of the lease. If the agreed ground rent or other related charge is not paid, the Society will investigate any claim made by the freeholder and may settle the outstanding amount by debiting your mortgage account. A fee is charged to cover the administration involved in processing this investigation.

**Release of part security** **£50.00**

To cover the administrative costs incurred when releasing part of the property or land currently in mortgage to the Society.

**Copies of statements** **£10.00**

Every January, an annual account statement is issued free of charge to all customers. However, a fee will be charged to cover the cost involved in providing the statement details again.

**Telegraphic Transfer Charge** **£35.00**

An administrative charge incurred when releasing cleared funds to your solicitor by telegraphic transfer to enable completion of the mortgage.

**Letting your property** **£75.00**

A customer whose residential mortgage is with the Society may let the property for a maximum of 12 months, providing our written consent is obtained. A fee of £75.00 will be charged for the administration involved in processing the application to let. In addition, the interest rate on all accounts except secured personal loans, will be increased by 1% whilst the property is let and will be removed when it is re-occupied by the customer or converted to a Buy to Let mortgage.

**Mortgage Reference** **£65.00**  
**(includes VAT)**

A charge will be made to other lenders for supplying specific information about the conduct of a current mortgage and the current level of mortgage held by the Society.

**This charge is usually passed on to the applicant by the other lender.**

**Mortgage questionnaire** **£65.00**

A charge is made by the Society to another lender, when that lender (with the customer's permission) asks for a second mortgage questionnaire to be completed. **This charge is usually passed on to the applicant by the other lender.**

**Failed Direct Debit** **£20.00**

If a Direct Debit fails at its first presentation and again when it is re-presented, a fee of £20.00 will be charged to your mortgage account.

**Failed standing order** **£20.00**

A charge of £20.00 will be made to your mortgage if the monthly standing order payment is re-called by the originator.

**Transfer of Equity** **£150.00**

If you make a request for an amendment to the name or names on your mortgage held with the Society, e.g. where a party wishes to be added to or released from the mortgage, a fee of £150.00 will be charged on application. **This fee is not refundable.**

### **Mortgage Term Change**

**£30.00**

If you make a request to amend the term on your mortgage, this fee is charged to your mortgage account to cover the administration involved in generating a new monthly payment and updating your records.

### **Pre-completion Product Change**

**£50.00**

This fee is charged when a change of product is requested pre-completion.

### **Transferring your mortgage to a new scheme (Scheme Release Fee)**

When you transfer your mortgage to a new scheme, a Scheme Release Fee will be payable (where applicable) to recover the cost incurred by the Society for the initial benefit you received on your current mortgage scheme. The amount of the fee will be determined by the terms and conditions of your current mortgage scheme. See also page 15, 'Redeeming/Part redeeming a mortgage with Early Repayment Charges'.

### **Scottish Landlords**

Changes have been made to the rules regarding rental properties situated in Scotland. All Scottish landlords must now apply to register their details with the local authority for the area the property is located in, or at [www.landlordregistrationscotland.gov.uk](http://www.landlordregistrationscotland.gov.uk)

## **ARREARS**

**If you fall behind with your mortgage repayments you will be in arrears and may be subject to charges. If you find yourself getting into financial difficulties, please contact us immediately on 0845 1246601 and we will do all we can to help.**

### **Arrears notification**

**£20.00**

When a mortgage falls into arrears we will write to advise you of the situation. In the event that further arrears accumulate and reach two months payments a charge will be made. No charge will be made when you have agreed an arrangement with the Society to repay any arrears.

### **Arrears review**

**£20.00**

If we have been unable to contact you within a reasonable period of time, we will undertake a review of the case to determine next actions and notify you of this. A charge of £20.00 will be made.

**Arrears arrangement breakdown****£25.00**

This fee will be charged if an arrears arrangement between the Society and yourself is broken by you.

**Placing an arrears account with a solicitor****£105.00**

This charge covers the costs incurred by the Society in preparing the papers prior to court proceedings, and the instruction of a solicitor to act on our behalf. The costs of the Society's appointed solicitors and enquiry agents will vary and will be charged in addition to this fee. The Society will pay the charges and add the amount to your mortgage account.

**Warrant fee****£110.00**

To cover the costs of monitoring a case as a result of instructing our solicitors to enforce a Court Order.

**Repossessed properties****£260.00**

When a repossessed property is sold by the Society and a net surplus remains, a charge will be made to cover the cost of administration.

Note: If an account does fall into arrears, the Society reserves the right to cancel any discount or benefit applied to the mortgage.

## **REDEMPTIONS AND DEEDS ENQUIRIES**

**Redemption fee****£125.00**

On the redemption of a mortgage the Society charges a redemption fee, as shown in your mortgage illustration. This is fixed for the term of your mortgage, except where you ask us to arrange a further advance, product transfer or transfer of equity (when, if applicable, it will change to the prevailing fee at the time).

This fee is refundable if you take your next mortgage with the Society within six months of redeeming the original mortgage account. This fee will not be charged if there is less than one year left to run on your entire mortgage at the time of redemption.

## **Deeds enquiry**

**£30.00**

The Land Registry are changing the way property deeds are held. Now all deeds are held electronically. The details of existing deeds are in the process of being transferred to the new system. As a result of this change all enquiries for specific information relating to a property - for example, responsibility for a garden fence, where the deeds are held electronically - should be made as follows:

- For deeds in England and Wales please contact the Land Registry at [www.landregistry.gov.uk](http://www.landregistry.gov.uk) or on 0207 917 8888 asking for general enquiries.
- For deeds in Scotland please contact the Land Registry at [customer.services@ros.gov.uk](mailto:customer.services@ros.gov.uk) or on 0845 6070161.

Where the deeds are still paper based and held by the Society, a charge will be made for supplying this information.

## **Redeeming/part redeeming a mortgage**

When a mortgage is repaid/part repaid using cleared funds, e.g. by telegraphic transfer or by payment from a Coventry investment account, no charge is made in respect of cheque clearance. If a loan is repaid/part repaid by cheque there is a charge equal to 7 days' interest (for cheque clearance and postal delay).

## **Redeeming/part redeeming a mortgage with Early Repayment Charges**

If you redeem all or part of your mortgage, you may be required to pay Early Repayment Charges. These charges are made to recover any costs incurred by the Society in setting up your product and vary dependent on the scheme chosen. See also page 13, 'Transferring your mortgage to a new scheme'.

# **LIFE POLICIES**

## **Transfers from an interest only to a repayment mortgage - and vice versa**

**£50.00**

This fee is charged to cover the administration involved in changing the type of loan and covers work relating to insurance policies in connection with an interest only (investment backed) mortgage.

## CALCULATION OF INTEREST

The Society uses three methods of charging interest, as follows:

### Annual Interest

With this method, interest is charged on the capital balance from the date of the advance to the end of the year. Thereafter, interest is charged on 1 January each year using the balance owing on 31 December of the previous year. If the mortgage completes before 31 December, interest will be pro-rotta and added onto the account on 1 January.

### Half Yearly Interest

On some mortgages advanced before 1983, interest is calculated on 1 January and 1 July using the balance owing on 31 December and 30 June respectively. Half-yearly interest is not available on new mortgages advanced by the Society.

### Daily Interest

Interest is charged to the account on the first of each month based on the number of days in the month and the balance outstanding on the last day of the previous month. The interest charged each month is adjusted to reflect any credit or debit transactions, e.g. the receipt of monthly payments, inclusive of the day on which they occur. The adjustment will be based on the amount of the payment and the number of days remaining in the month. For example, if a payment is received on 20 January, 12 days' interest credit will be given. Other transactions, such as the debiting of fees and charges, will not affect the interest charged until the following month when they will be included in the balance used for calculating interest (unless they are paid in the month they fall due).

## REPAYMENTS OF CAPITAL AND OVERPAYMENTS

### Repayments of capital

A capital payment must be for £1,000 or 3 months' payments, **whichever is the greater**, and must be in addition to the regular monthly payment. Formal instructions should be given to the Society regarding how the payment is to be treated, as there are various options available. An interest credit will be given based on the amount received and the number of days remaining in the year or month, depending on the interest calculation method used on the account. There are no restrictions on the number of capital payments that may be made to a mortgage in any one year. **An Early Repayment Charge may be applied, depending on the terms and conditions of the mortgage.**

## Overpayments

Additional payments below £1,000 or 3 months' payments will not be treated as capital payments and the interest charged will not be reduced until the next interest debit is due, e.g. 1 January for annual interest mortgages – please see the section entitled 'Calculation of interest'.

The rules governing when your monthly payment will reduce following overpayments depend on how your mortgage is to be repaid:

- With a capital and interest mortgage, the monthly payments will be re-calculated, taking account of the overpayments, at the next interest rate change.
- With an endowment, pension-linked or interest only mortgage, the monthly payments will not be re-calculated to take account of the overpayments until the first rate change occurs after the next 1 January (1 January or 1 July for half yearly interest mortgages).
- Overpayments are not allowed on certain mortgage schemes. The Society reserves the right to make early repayment charges on overpayments, where applicable.

## PERSONAL LOANS - FEES AND CHARGES

If you have a **MORE**gage product, the following fees and charges apply to the unsecured loan part of your mortgage.

### Unpaid cheques

**£20.00**

Charged if a cheque that has been paid into a personal loan account is returned unpaid by the bank or building society.

### Failed Direct Debit

**£20.00**

If a Direct Debit fails at its first presentation and again when it is re-presented, we'll charge a fee of £20 to your personal loan account.

### Copy documents

**up to £15.00**

We charge this fee to cover the cost of producing and sending you a copy of the documents. We'll tell you the actual cost when you tell us which document you would like a copy of.

### Arrears letter

**£15.00**

If a personal loan account falls into arrears, we'll let you know by letter. A charge of £15 will be made at that time.

## Statements/account breakdown

**£10.00**

We will automatically send you an annual statement free of charge. However, if during the term of the loan you need a statement of your account showing details of payments made and the balance outstanding, we'll send you one.

## IMPORTANT NOTES

The Society reserves the right to review these administration charges from time to time. If we change any of our charges, we'll give you reasonable notice of the changes.

If we ever need to make a charge, you must pay it separately from your normal monthly payment.

## ANY PROBLEMS - WE'RE ALWAYS HERE TO HELP

If you are in financial difficulties, or cannot pay your full monthly amount, please contact us right away on 0845 7665522. The sooner we discuss the matter, the easier it will be for both of us to find a solution. We will develop a plan with you for dealing with your situation.

You can also get free help and advice from debt counselling organisations such as the Citizens' Advice Bureau, Money Advice Centres or the Consumer Credit Counselling Service.



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

Coventry Building Society is authorised and regulated by the Financial Services Authority (reference number 150892).

The information in this leaflet is provided for information only and is not legally binding. Whilst every effort is made to ensure the contents of this leaflet are up to date, accurate and complete, Coventry Building Society does not accept any liability for action taken in reliance on the information contained in it. For specific guidance you should refer to the terms and conditions of your mortgage product or speak to an advisor in a branch or by telephone.

Lines open Monday to Friday 8am-8pm, Saturday 9am-5pm, Sunday 10am-4pm. Contact your service provider for details of charges, as call costs may vary. To maintain a quality service, calls made to and from the Society may be monitored and recorded. Information correct at time of print (December 2009).

For further details, call into your local branch, visit us at  
[www.thecoventry.co.uk](http://www.thecoventry.co.uk)

or call our Customer Service Centre on

**0845 7665522**



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