

Our fees and charges explained

and other important information about how
your mortgage works - December 2016



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Keeping you informed

This leaflet provides you with details of our mortgage fees and charges and other important information about how your mortgage works. We will review these fees and charges from time to time, and if we change any of them, we'll give you reasonable notice of the changes.

Application and valuation fees

These are fees that are charged when you apply for a new mortgage or additional lending from us.

Application fees

Application fee

An application fee may be 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 mortgage illustration and confirmed in your Mortgage Offer. When applying for a new mortgage with us, this fee is payable on application.

This fee is not refundable.

Product fee

A number of our mortgage schemes include a product fee. This is a fee that is charged at the start of a new mortgage scheme. The amount depends on the type of scheme applied for and will be contained in your mortgage illustration and confirmed in your Mortgage Offer. Usually, we'll offer a choice of products with different fee sizes and typically a mortgage scheme with a higher product fee attracts a lower interest rate. When applying for a new mortgage with us, this fee is either deducted from the advance (loan) or added to the loan. **This fee is not refundable.**

Funds Transfer Fee

£8.00

A charge is made when transferring mortgage funds electronically.

Valuation fees

Mortgage valuation

This is an inspection carried out for our benefit to determine if a property provides good security for a loan. If you are applying for a Buy to Let mortgage, this valuation will also assess the rental return income that the property could reasonably be expected to achieve. The mortgage valuation is a limited form of inspection and you should not rely on it when deciding whether to purchase a property. **If you choose this type of valuation we must instruct it and it must be conducted by one of our panel of valuers to be acceptable.** A valuation fee may be charged at application stage, in accordance with the scales shown on pages 5 to 7. Where a fee is applicable, it 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. If a fee is charged for using one of these alternative methods, we will let you know in advance of your Mortgage Offer documents.

Homebuyer's Report

This provides a more detailed inspection than a mortgage valuation and lists any major faults that are obvious to the valuer. However, it is not a full structural survey. If you choose a Homebuyer's Report using our valuer panel then you will pay the Homebuyer's Report fee indicated in the sliding scale overleaf, **but you will not have to pay the mortgage valuation fee as well.** The report will be issued directly to you. **The Homebuyer's Report fee is not refundable.**

There is no obligation to use our 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 you and the surveyor and the report will be issued directly to you. In this circumstance, we will still instruct a valuer to provide a Mortgage Valuation to determine if the property provides suitable security for a mortgage. You will pay the surveyor for your Homebuyer's Report and you will still have to pay our mortgage valuation fee (if applicable).

Residential valuation fees

Purchase price/ estimated value not exceeding	Mortgage valuation fee (including VAT)	Homebuyer's Report (including VAT)
£60,000	£100	£235
£75,000	£115	£285
£100,000	£130	£340
£125,000	£130	£340
£175,000	£160	£415
£200,000	£200	£415
£300,000	£250	£520
£400,000	£300	£620
£500,000	£355	£715
£600,000	£455	£815
£700,000	£475	£915
£800,000	£570	£1,015
£900,000	£615	£1,115
£1,000,000	£665	£1,220
£1,200,000	£815	£1,430
£1,400,000	£935	£1,630
£1,600,000	£1,060	£1,835
£1,800,000	£1,180	£2,040
£2,000,000	£1,305	£2,250

For properties valued over £2,000,000 please ask for fee details.

Buy to Let valuation fees

Purchase price/ estimated value not exceeding	Mortgage valuation fee (including VAT)	Homebuyer's Report (including VAT)
£60,000	£115	£235
£75,000	£125	£235
£100,000	£145	£285
£150,000	£175	£340
£200,000	£210	£415
£250,000	£240	£415
£300,000	£270	£520
£350,000	£300	£620
£400,000	£335	£620
£450,000	£360	£665
£500,000	£390	£720
£600,000	£455	£825
£700,000	£515	£925
£800,000	£580	£1,025
£900,000	£635	£1,125
£1,000,000	£700	£1,230
£1,200,000	£835	£1,440
£1,400,000	£955	£1,645
£1,600,000	£1,080	£1,845
£1,800,000	£1,200	£2,050
£2,000,000	£1,320	£2,260

For properties valued over £2,000,000 please ask for fee details.

Additional lending valuation fees

A valuation will be required when an application for additional lending is submitted. There are a number of ways we can determine the value of your property, one of which is a present day valuation (PDV). When you apply for additional lending we will select the valuation type most appropriate to your application.

Present day valuation (PDV)

This is an inspection carried out for our benefit to determine whether a property continues to provide good security for the loan. This is similar to the valuation carried out when the property was purchased. **Only PDVs conducted by our panel of valuers are acceptable. This fee is not refundable.**

Present day valuation fees - Residential

Estimated value not exceeding	Present day valuation fee (including VAT)
£100,000	£90
£250,000	£145
£500,000	£230
£1,000,000	£335
Over £1,000,000	minimum £340

Present day valuation fees – Buy to Let

Estimated value not exceeding	Present day valuation fee (including VAT)
£100,000	£100
£250,000	£155
£500,000	£240
£1,000,000	£345
Over £1,000,000	minimum £345

When are fees payable?

You will be asked to confirm your preferred method of fee payment if there is more than one method available to you.

	Payable on application ¹	Deducted from advance (loan) ²	Added to loan ³
Application and valuation fees – new mortgages			
Application fee	✓	✗	✗
Product fee	✗	✓	✓
Funds transfer fee	✗	✓	✓
Valuation fee	✓	✗	✗

¹Fee payable on application

If fees are payable on application, until we receive the fee, the application will not be processed. The fee can be paid by credit/debit card or cheque.

²Fee deducted from the advance (loan amount)

If you have the option to pay in this way, the fee is deducted from the loan amount that is advanced to your solicitor at completion. You will therefore need to make up the difference between the amount that has been deducted for the fee and the loan amount, with your solicitor.

³Fee added to the loan

If you have the option to pay in this way, the fee is added to the loan and you will be charged interest on the fee from the day it is debited to your account.

Mortgage service fees

These are fees that may be charged during the course of your existing mortgage if you ask to make a change to your mortgage.

Application fee

If you apply to transfer to a different mortgage scheme (product transfer) or port your existing mortgage to a new property, an application fee may be charged. This is to cover some of the costs associated with the mortgage application on certain types of mortgage schemes. The amount depends on the scheme applied for and will be contained in your mortgage illustration and confirmed in your Mortgage Offer. When making changes to your existing mortgage with us, this fee is either payable before completion or added to the loan. **This fee is not refundable.**

Product fee

If you choose to transfer to a different mortgage scheme (product transfer) a product fee may apply. The amount depends on the scheme applied for and will be contained in your Mortgage Illustration and confirmed in your Mortgage Offer. Usually, we'll offer a choice of products with different fee sizes and typically a mortgage scheme with a higher product fee attracts a lower interest rate. **This fee is not refundable.**

Transferring your mortgage to a new scheme - early repayment charge (changing your mortgage)

When you transfer your mortgage to a new scheme (product transfer), a early repayment charge (changing your mortgage) will be payable (where applicable) to recover the cost incurred by us 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. For details of these fees please refer to your Mortgage Offer. **This fee is not refundable.**

Consent to let fee

£100.00

You may let the property you currently occupy, providing our written consent is obtained in advance. A fee will be charged for the work involved

in processing and approving 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 this increase will be removed when the property is re-occupied by you, or the mortgage is converted to Buy to Let.

Change of parties administration fee £100.00

If you make a request to add or remove a name on your mortgage, a fee will be charged. **This fee is not refundable.**

Valuation fees

Valuation fees may apply in certain circumstances. Please see pages 5 to 7 for the full list of these fees.

When are mortgage service fees payable?

You will be asked to confirm your preferred method of fee payment if there is more than one method available to you.

	Payable on application ¹	Payable before completion ²	Added to loan ³
Mortgage service fees – changes to your existing mortgage from us*			
Application fee - product transfer	X	✓	✓
Product fee - product transfer	X	✓	✓
Early repayment charge (changing your mortgage) - product transfer	X	✓	✓
Consent to let fee	X	✓	✓
Change of parties administration fee	✓	X	X
Valuation fee	✓	X	X

*For porting applications please refer to the table on page 8.

¹Fee payable on application

If fees are payable on application, until we receive the fee, the application will not be processed. The fee can be paid by credit/debit card or cheque.

²Fee payable before completion

If you have opted to pay the fee before completion, until we receive the fee, we cannot complete your request. The fee can be paid by credit/debit card or cheque.

³Fee added to the loan

Where a fee is added to the loan you will be charged interest on the fee from the day it is debited to your account.

Other fees and important information

Arrears and unpaid/returned payments fees

These fees will be debited (added) to your account where they apply. You will be charged interest on them (and any reasonable expenses that we are able to recover, for example solicitors' costs and any other expenses incurred by the solicitors), from the month following the debit if your mortgage is on our daily interest scheme, unless you pay them in the month they are debited.

If your mortgage is on our annual interest scheme you will be charged interest from the following 1 January, or from the following 1 January or 1 July if your mortgage is on our half-yearly interest scheme, unless you pay the fee in the year/half year it is debited.

Unpaid/returned Direct Debit or cheque

£5.00

If a Direct Debit is returned unpaid, and after we have written to tell you of this so you can take appropriate action, it is returned unpaid again, then a charge will be made. In the case of a cheque, we will write to tell you if it has been returned unpaid, and the charge will be made at that time.

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, we will investigate any claim made by the freeholder and may settle the outstanding amount by adding the amount to your mortgage account. A fee is charged to cover the work involved in processing this investigation.

Arrears fee **£20.00**

If your mortgage falls into arrears we will write to advise you. In the event that further arrears accumulate and reach the equivalent of two months' regular payments, a charge will be made. No charge will be made when you have agreed an arrangement with us to repay any arrears and have adhered to this arrangement.

Arrears arrangement breakdown **£25.00**

This fee will be charged if an arrears arrangement agreed between you and us is broken by you.

Placing an arrears account with a solicitor **£90.00**

This charge covers the costs incurred by us when preparing papers prior to court proceedings, and the instruction of a solicitor to act on our behalf. The costs of our appointed solicitors and enquiry agents will vary and will be charged in addition to this fee. We will pay these costs (including court fees and other expenses incurred) and add the amount to your mortgage account.

Warrant fee **£95.00**

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 us and a net surplus remains after your outstanding mortgage balance has been repaid, a charge will be made to cover our cost of administration in relation to the sale.

Sundry debits

We may also charge sundry debits (for example unpaid ground rent or service charges due, which we have had to pay, or the cost of repairs to a property where we have taken possession), to the mortgage account, and these will incur interest from the day they are debited to the account.

How we can help if you are in financial difficulty

If you are experiencing any financial difficulties, or cannot pay your full monthly amount, please contact us immediately on 0800 121 8765. This line is open from 9am to 5pm Monday to Friday and 9am to 12 noon on Saturday. 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 to help resolve your situation. You can also find free help and advice from debt counselling organisations such as the Citizens' Advice Bureau, Money Advice Centres or StepChange Debt Charity.

Redeeming your mortgage

Mortgage exit fee

When you have fully paid off (redeemed) your mortgage we charge a mortgage exit fee, as shown in your Mortgage Offer. This fee will be waived if there is less than one year left to run on your entire mortgage at the time of redemption. The fee amount 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 (12 months if your mortgage includes a former Stroud & Swindon Building Society scheme).

Redeeming or part repaying your mortgage

If you repay your mortgage in full or in part by cheque, we will charge an additional seven days' interest on the payment to cover the time it takes for your cheque to clear. If you are making this payment using cleared funds or payment from a Coventry Building Society savings account, this charge will not apply.

Redeeming or part repaying your mortgage with early repayment charges

If you repay all or part of your mortgage, you may be required to pay early repayment charges. These charges are made to recover the cost incurred by us for the initial benefit you received on your current mortgage scheme. For details of these fees please refer to your Mortgage Offer.

Personal loan fees and charges

If you already have a MOREgage product, the following also applies to the unsecured loan part of your mortgage.

Missed or unpaid/returned Direct Debit or cheque **£5.00**

A charge is made in the event of a Direct Debit, standing order or cheque being returned unpaid.

Paying a fee or charge

If you are making a payment of a fee or charge, you should contact us to discuss how it will be paid.

Calculation of interest

We use three methods of calculating and charging interest, as explained below. You may have a combination of different methods depending on the terms of your mortgage.



Please note that on redemption (full repayment) of your mortgage, interest will be charged to the date of repayment. Special arrangements apply to interest-only Flexible Drawdown Mortgages and Lifetime Mortgages. If you would like more information on these types of mortgages please call us.

Daily interest scheme

Interest is charged to the mortgage account on the first of each month, based on the number of days in the coming month and the balance outstanding (including unpaid interest) on the last day of the previous month. Interest is also charged, as mentioned overleaf, on debits (sums added) to your mortgage account during the month.

When you make your regular monthly payment, or any additional amount is paid into your account, we will adjust the interest charged based on the payment amount and the number of days remaining in the month (including the day on which the payment is credited). For example if your payment is received on 20 January, 12 days' interest credit will be given.

Annual interest scheme

Interest is charged to the mortgage account on 1 January each year based on the amount you owed (including unpaid interest) on the 31 December of the previous year. Interest is also charged, as mentioned below, on debits (sums added) to your mortgage account during the year.

We will not adjust the interest charged to reflect any payments into the account during the year, except for any additional payment(s) treated as a capital repayment (please see 'Repaying extra' for details).

Half-Yearly interest scheme

Some of our mortgages advanced before 1983 were provided on this basis. Interest is charged to the mortgage account on 1 January and 1 July based on the amount you owed on 31 December and 30 June respectively, with interest on debits in the period as mentioned below.

Interest charged on debits (sums added) to your mortgage account

All advances, including a new mortgage advance, further advances, stage advances or retention releases will incur interest from the day they are debited to the account. Please refer to the fees sections of this leaflet for details of when fees added to your loan will incur interest.



If there is a change to the interest rate on your mortgage we will recalculate the interest charged at the time the interest rate changes, regardless of the interest scheme which applies to your mortgage.

Repaying extra

The extra amount you choose to pay will determine whether your extra payment is treated as a capital repayment or an overpayment. If you are considering making extra payment(s) on your mortgage please contact us first to discuss your options.

Working out if your extra payment will be a capital repayment or an overpayment

The extra amount you choose to pay will determine whether your extra payment is treated as a capital repayment or an overpayment.

If the equivalent of three times your normal monthly payment is £1,000 or more then:

- Any extra payment of at least three times your monthly payment will be treated as a capital repayment.
- Any extra payment less than three times your monthly payment will be treated as an overpayment.
- If the equivalent of three times your normal monthly payment is less than £1,000 then:
 - Any extra payment of £1,000 or more will be treated as a capital repayment.
 - Any extra payment less than £1,000 will be treated as an overpayment.



Please note, if you have an interest-only Flexible Drawdown mortgage, any additional payment(s) over £500 will automatically be treated as a capital repayment.

How we apply a capital repayment

If you have an interest-only mortgage, your capital repayment will reduce the balance of your mortgage. This in turn will reduce the interest we charge and therefore your regular monthly payments will go down from the following month onwards.

If you have a repayment mortgage, your capital repayment will reduce the balance of your mortgage and this in turn will reduce the interest we charge. You can then choose to either reduce your regular mortgage payments from the following month onwards, or reduce the term of your mortgage, which means you will pay off your mortgage in a shorter period of time. If you would like further information, please contact us and our advisors will be happy to help you.

You must let us know how you would like us to treat your repayment.

If you don't provide us with specific instructions we will use your last instruction, if less than 12 months old. If you haven't given us an instruction in the last 12 months, we will treat your extra payment as an overpayment regardless of the value (please see how we apply an overpayment below).

If your mortgage account is split into a number of different parts – we call these 'sub-accounts' – you must let us know which sub-account you would like us to apply your capital repayment to. Your mortgage account is likely to be split into sub-accounts if you have taken out a further advance or your mortgage consists of both interest-only and repayment – please refer to your annual mortgage statement for details of this.

It is important that you let us know which of your mortgage sub-account(s) you want to credit the capital repayment to. If you do not give us specific instructions we will treat your extra payment as an overpayment regardless of the value (please see below). We will credit the payment between sub-accounts as we reasonably consider appropriate, subject to any regulatory requirements. If you would like more information about how we have processed your payment, please ask us.

How we apply an overpayment

If your mortgage is on our daily interest scheme we will credit your overpayment to your mortgage account immediately, which means you will be charged less interest overall. However, we will not treat this as a capital repayment unless you specifically ask us to and the terms and conditions of your mortgage allow it. Therefore, your payments will not automatically be recalculated.

If your mortgage is on our annual or half-yearly interest scheme, your mortgage balance will be reduced immediately when we receive your overpayment. However, we will not automatically recalculate the interest charged until the following 1 January, or for half-yearly interest scheme accounts either 1 January or 1 July, whichever applies to you.

If your mortgage is split into sub-accounts (as explained above), and you do not tell us which sub-account(s) you would like us to apply your overpayment to, we will credit the payment between sub-accounts as we reasonably consider appropriate, subject to any regulatory requirements.

If you would like more information about how we have processed your payment please call us.



Please remember that additional payments are subject to your existing mortgage terms and conditions which may include an early repayment charge (changing your mortgage). If your mortgage account is in arrears, additional payments may be processed differently from the ways described above.

Coventry Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (firm reference number 150892 www.fca.org.uk).

Our Customer Service Centre is open Monday to Friday 8am-8pm, Saturday 9am-5pm, Sunday 10am-4pm.

Calls to 0800 numbers are free when made from the UK. You may be charged for calls to all other numbers, please contact your service provider for further details. We may monitor, record, store and use telephone calls to help improve our service and as a record of our conversation.

Information correct at time of going to print (December 2016).

Get in touch



By phone

Call us on 0800 121 8899



By post

Write to us at Economic House, PO Box 9, High Street, Coventry CV1 5QN



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