



# Your mortgage

## what you need to know

**COVENTRY**  
Building Society



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We can also send you this leaflet in large print, Braille or on audio CD. Call us on **0800 121 8899** and we'll be happy to help.

# Your mortgage, now and in the future

Your mortgage shouldn't be complicated – you apply for a loan and we lend what we think you can afford. Simple. It's a valuable investment – it's your home, your security and your future. That's why it's important you feel at home with us and with the information we send you.

This booklet is a simple guide to having a mortgage with us, before you sign on the dotted line. So whether you're moving, remortgaging or borrowing more, this information is useful now and in the future. You should keep it handy for your reference.

## Your mortgage

A mortgage is a loan to help you buy a property. The mortgage is secured against your property, which means if you don't keep up your repayments your property may be taken back (repossessed) and sold to pay back the loan. As a responsible lender, we'll be here to help you throughout your mortgage with us. If you anticipate any difficulty meeting your monthly payments, please contact us as soon as possible.



# Valuations

We offer one free valuation per mortgage account. We'll charge for any further valuations, including porting and transfer of equity cases.

## Residential valuation fees

Purchase price/estimated value not exceeding	Mortgage valuation fee (including VAT)
£60,000	£92
£75,000	£107
£100,000	£122
£175,000	£122
£200,000	£152
£250,000	£192
£400,000	£242
£500,000	£292
£600,000	£347
£700,000	£447
£800,000	£467
£900,000	£562
£1,000,000	£607
£1,200,000	£657
£1,400,000	£807
£1,600,000	£1,052
£1,800,000	£1,172
£2,000,000	£1,297

<b>Purchase price/estimated value not exceeding</b>	<b>Mortgage valuation fee (including VAT)</b>
£2,200,000	£1,417
£2,400,000	£1,542
£2,600,000	£1,662
£2,800,000	£1,787
£3,000,000	£1,907
£3,200,000	£2,032
£3,400,000	£2,192
£3,600,000	£2,272
£3,800,000	£2,397
£4,000,000	£2,517
£4,200,000	£2,642
£4,400,000	£2,762
£4,600,000	£2,887
£4,800,000	£3,007
£5,000,000	£3,132

For properties valued over £5,000,000 please ask for fee details.

## Buy to Let valuation fees

Purchase price/estimated value not exceeding	Mortgage valuation fee (including VAT)
£60,000	£107
£75,000	£117
£100,000	£137
£125,000	£167
£200,000	£202
£250,000	£232
£300,000	£262
£350,000	£292
£400,000	£327
£450,000	£352
£500,000	£382
£600,000	£447
£700,000	£507
£800,000	£572
£900,000	£627
£1,000,000	£692
£1,200,000	£827
£1,400,000	£947
£1,600,000	£1,072
£1,800,000	£1,192
£2,000,000	£1,312

Purchase price/estimated value not exceeding	Mortgage valuation fee (including VAT)
£2,200,000	£1,437
£2,400,000	£1,557
£2,600,000	£1,682
£2,800,000	£1,802
£3,000,000	£1,927
£3,200,000	£2,047
£3,400,000	£2,172
£3,600,000	£2,292
£3,800,000	£2,417
£4,000,000	£2,537
£4,200,000	£2,662
£4,400,000	£2,782

For properties valued over £4,400,000 please ask for fee details.



# Additional lending valuation fees

A valuation may be required when applying for additional lending. 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'll select the valuation type most appropriate to your application.

## Present day valuation (PDV)

This inspection is 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.**

### 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



# Repaying extra

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

**Early repayment charge:** An early repayment charge (ERC) may apply if you choose to repay your mortgage early, usually within the initial interest rate period. You may also be charged an ERC if you overpay more than your mortgage allows. You can check the ERC that may apply to your mortgage in your illustration.

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

If you pay extra on your mortgage it can be treated as either a capital repayment or an overpayment\*. How the payment is treated will depend on the amount you wish to overpay and how much your normal monthly mortgage payment is. We can advise you on this when you call us

## How we apply a capital repayment

With an interest-only mortgage, capital repayments will reduce the outstanding balance of your mortgage to reduce the interest we charge. This means your regular monthly payments will go down from the following month onwards (if it's paid before the 23rd of the month, if it's paid later than this it will take effect from the first of the month after that).

With a repayment mortgage, capital repayments will reduce the balance of your mortgage which 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. You must tell us which of these options you want to use.

\* 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.

You must also tell us which part of your mortgage you'd like the capital repayment to be paid to. If you only have the one part to your mortgage (called a sub-account) you must tell us to apply it to sub-account one. If your mortgage is split into a number of sub-accounts (for example if you've taken out any further advances) you must tell us which of the sub-accounts you wish to apply the repayment to. You can find details of your sub-accounts on your annual mortgage statement.

If you don't give us instructions we'll treat your extra payment as an overpayment regardless of the value. We'll credit the payment between sub-accounts as we reasonably consider appropriate, subject to any regulatory requirements. However, if you've made a capital repayment in the previous 12 months, and no new instruction is received we'll use your previous instruction to apply the capital repayment. 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.

### **How we apply an overpayment**

If your mortgage is on our daily interest scheme we'll credit your overpayment to your mortgage account immediately, which means you'll be charged less interest overall. However, we won't treat this as a capital repayment unless you specifically ask us to and the terms and conditions of your mortgage allow it, which means your payments won't automatically be recalculated. They will next be recalculated when your interest rate changes, unless you ask us to recalculate your payments.



If your mortgage is on our annual 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.

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

If you'd like more information about how we process over-payments, please call us.

Please remember 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.

## **Redeeming your mortgage before the end of your term**

### **Redeeming or part repaying your mortgage**

If you repay your mortgage in full or in part by cheque, we'll charge an additional three days' interest on the payment to cover the time it takes for your cheque to clear. If you're 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 ERCs**

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

# Renting out your property

## Renting out your property temporarily

If you have a Residential mortgage and wish to rent out your house temporarily, you will need our permission. You can apply for what we call a 'Consent to Let' (CTL) for an agreed period of time.

If you rent out your property without our agreement you will break the terms and conditions of your mortgage. Also your insurance policies may not be valid. Please get in touch as soon as you are thinking about renting out your property.

## Costs to consider when moving or remortgaging

As well as the costs associated with moving or remortgaging, you may also need to consider the following:

- **Legal fees:** These are fees for the conveyancing procedure, Land Registry, search fees, money transfer charges and other charges.
- **Moving costs:** You may need to put money aside to pay to help move your furniture and personal belongings.

## Making sure you can afford your mortgage

(now and in the future)

We all like to be prepared for the future but sometimes things don't always go to plan. We're here to help ensure you can afford your mortgage now. However, it's also important that you think about how you could afford your mortgage if your finances were to change in the future.

## Things to consider with your mortgage

**Increase in interest rates:** Could you afford your mortgage if interest rates were to rise? It's important to think realistically about how much an increase in interest rates or living costs could affect you in the future. For more information you can check your illustration.

**Planning a family:** Starting a family or adding to one will affect your finances and you may have significantly less income if you or your partner stops working. It's important to think about how you'll afford your mortgage payments.

**Maintaining your home:** No matter how hard we try, there could always be one emergency we didn't see coming, and unexpected costs we didn't budget for. This could be anything from a small repair to major property maintenance.

**Maintaining your financial commitments:** If you decide to borrow more, such as a personal loan, credit card or an overdraft, you need to make sure you can afford these and still meet your regular mortgage payments.

**Retiring:** When considering your mortgage term it's important to think about your future plans and the age you wish to retire. If you retire, or semi-retire during your mortgage term, you may have a lower income, but you'll still need to maintain your mortgage payments and living expenses.

## Payment difficulties

Losing your home can be devastating for you, your family and your future. As a responsible lender it's something we hope you'll never experience. If you experience any financial difficulties or cannot pay your full monthly mortgage amount please call us immediately on **0800 121 8765**.

The sooner we discuss the matter, the easier it will be for both of us to find a solution. Our advisors are available Monday to Friday 9am-5pm and Saturday 9am-12 noon.

# Arrears

Any fees (and any reasonable expenses we're able to recover, e.g. solicitors' costs and other expenses incurred by the solicitors) will be added to your account where they apply.

If your mortgage is on a daily interest scheme and you don't pay these fees in the month they're added to your account, you'll be charged interest on them from the beginning of the following month.

If your mortgage is on an annual interest scheme and you don't pay these fees in the year they're added to your account, you'll be charged interest on them from the next 1 January.

Details of these fees, and others, can be found in our 'Tariff of mortgage charges' which is available on our website and on request.



# Protect yourself and your property against the unexpected

Under the conditions of your mortgage it's your responsibility to ensure you have sufficient buildings insurance cover. And if you're a landlord, you should consider the landlord insurance options available to you. You should also consider protection insurance. Different policies offer a variety of cover depending on the level of protection you need. Your protection requirements are as individual as you are, so you can choose the type and amount of cover to reflect your circumstances.

## Consider your protection today

With a variety of home insurance and protection insurance options available, you should be able to find the right cover to suit your needs in a number of different ways.

**Financial Advisor:** If you'd prefer to discuss your options in person, or feel you need more advice on which insurance products and type of cover will suit your needs, you may prefer to talk to a financial advisor. If you don't already have one you can search for a financial advisor in your local area by visiting [www.unbiased.co.uk](http://www.unbiased.co.uk)

**From a Provider:** You can buy insurance directly from many providers via their websites or over the phone.

**Online:** With so much information online, you may prefer to do your own research. For impartial advice, as a starting point, go to MoneyHelper Service which is backed by the government. Visit [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

**Price comparison websites:** You may choose to use price comparison websites to research insurance and find quotes: these may not include all providers. When comparing quotes check the level of cover included with each policy and any exclusions that apply.



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

## Contact us



### At a branch

For details of our opening hours,  
visit **[thecoventry.co.uk](https://www.thecoventry.co.uk)**



### Online

**[thecoventry.co.uk](https://www.thecoventry.co.uk)**



### By phone

**0800 121 8899**



### By post

Oakfield House, PO Box 600,  
Binley, Coventry CV3 9YR

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

Mortgages are subject to acceptance in accordance with our lending criteria.

The information in this leaflet is provided for your information only and should not be taken as advice. Legally binding terms and conditions can be found in the mortgage application declaration, the terms and conditions of your mortgage offer and in our mortgage terms and conditions.

For more information, call us on **0800 121 8899** Monday to Friday 8am-7pm or Saturday 9am-2pm. Calls to 0800 numbers are free from the UK. Calls may be monitored or recorded to help improve our service and as a record of our conversation.

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