

Call:

**0845 606 4488**

Monday to Thursday 8am to 8pm | Friday 8am to 6pm | Saturday 9am to 1pm

We may monitor and record telephone calls for training and security purposes.

or visit us online:

**[www.newcastle.co.uk](http://www.newcastle.co.uk)**

Your local branch details:

Principal Office: Portland House, New Bridge Street, Newcastle upon Tyne NE1 8AL.

Newcastle Building Society is authorised and regulated by the Financial Services Authority (FSA) and is entered in the FSA's register under number 156058. We are permitted to advise on, arrange, enter into and administer mortgages and permitted to advise on, arrange and administer general insurance. You can check this on the FSA's register by visiting the FSA's website [www.fsa.gov.uk/register/](http://www.fsa.gov.uk/register/) or by contacting the FSA on 0845 606 1234.

**YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.**

Details are correct as at time of print (April 2012). DEV038

## Mortgages

**Guiding you** through the mortgage maze.



# Always there to look after you.

Newcastle Building Society has provided trusted financial products and services for over 150 years. As one of the largest building societies based in the North East and one of strongest independent mutual building societies in the country, we are still small enough to care deeply about our members, employees and the communities we serve.

As a mutual organisation, our profits are invested back into the business and not paid out in the form of dividends to a limited number of shareholders. We are committed to the principles of mutuality, which means putting you, the customer, first.

## Mortgages Which ones right for you?

There's a mortgage to suit everyone, from first time buyers wanting to get onto the property ladder to those who wish to use their savings against a mortgage in a more tax-efficient way. Whatever your needs, you can count on us to advise you which is right for you.

### What's inside

|                                       |    |
|---------------------------------------|----|
| Planning for every stage of your life | 4  |
| Our range of mortgage products        | 6  |
| How much can I borrow?                | 8  |
| Mortgage Repayments                   | 9  |
| Interest explained                    | 10 |
| Fees and charges                      | 11 |
| Estate agency tips                    | 13 |
| The mortgage process                  | 15 |
| Questions                             | 20 |
| Insurance                             | 21 |
| What to do next?                      | 22 |



Our fully qualified mortgage advisers are here to help you **every step of the way.**

# Planning for every stage of your life.

## Getting the present straight 0-20s

You are never too young to start saving, and starting at an early age can provide a financial safety net for you and your children's future. Whether it's for further education or a deposit for your first home, we can help find the right savings account for you.



## Start to consider your future 20s to 30s

The starting blocks of your financial life can start at anytime; you may have studied, travelled or simply soul searched. But what now? Clear any outstanding debts you may have and seriously start saving for the future. Then you may want to get on to the property ladder. Decide which mortgage is right for you and which insurance policies will keep you protected. At this stage of your life you may also be starting your career and so it's a good time to consider a pension.



## Thinking of the family 30s to 40s

Now you have had the experience of living independently and possibly built up your savings, you may wish to move to a larger property or expand your existing one. You may be able to move your mortgage if you move home or want to borrow more to extend your existing home - we can help. Saving is always important and if you haven't already made the most of your money with a tax-free ISA now is the time. As you never know what's around the corner, life insurance and payment protection are two types of protection that could keep you and your family safe.



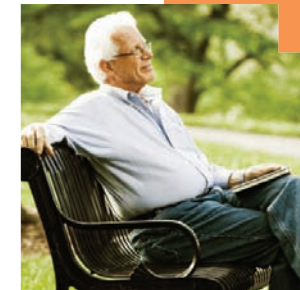
## Have a well earned break 40s to 50s

Your children may have started to think about leaving the family nest, meaning your out-goings have reduced. That extra money could help pay off the remainder of your mortgage or you could consider using the money to save for your future: long-term investments to top-up your pension when you retire or maybe help your children out when they go to university could be the right choice and thinking even further ahead, having a will in place ensures your loved ones will receive what you want them to.



## Getting back what you put in 50+

In the UK many people die without leaving a will. Ensure you're not one of them by planning ahead. So you can set out clearly who should get what from your estate. It may let you maximise inheritance tax relief. As you start to think about retirement, Investment accounts can be a useful way to ensure you make the most out of the new phase in your life. You could treat yourself to a well earned luxury holiday or maybe that second home in the sun.



To find out more about any of the ways we can help you, speak to a member of staff today.

# Our range of mortgage products.

Taking out a mortgage or re-mortgaging your property is probably one of the most important financial decisions you'll ever make. So we made an important decision ourselves. To offer our customers a variety of mortgages and offer advice on which one is best suited to you. Here's a taster of the different types of mortgages we offer:

## Fixed rate mortgages

With a fixed rate mortgage you pay a fixed amount each month for a specific period, often two to five years, sometimes longer. The advantage is, you know exactly how much you will have to pay each month, so you can budget more easily. After the fixed term has ended, your interest rate will revert to our Standard Variable Rate.

## Standard variable rate mortgages

As we change our standard variable rate, the interest rate you pay on this mortgage changes too. If the rate fluctuates this product offers the added bonus of no tie-ins allowing you to change the product at any time.

## Discount rate mortgages

As the name suggests, discount mortgages offer you a discount from our Standard Variable Rate. This is usually for a specific period, and then the rate reverts to our Standard Variable Rate.

## Base rate tracker mortgages

The interest rate on this mortgage is linked to, but may not be the same as, the Bank of England Base Rate. When the Base Rate changes, your mortgage payment rate changes too. Simple as that.

## Offset mortgages

This type of mortgage allows you to offset your savings against the value of your mortgage balance, in a tax-efficient way. Not only potentially saving you thousands of pounds, but also reducing the term of your mortgage.

## Self-build mortgages

Newcastle Building Society offer self build mortgages exclusively via BuildStore Financial Services who can be contacted on 0845 223 4888. Alternatively, visit their website: [www.buildstore.co.uk](http://www.buildstore.co.uk) for more details. We offer self build mortgages on the following basis:

- Where applicants wish to buy land and build a new property, convert an existing property or demolish and rebuild an existing property;
- We will consider lending up to 80% LTV to purchase land/property and up to 80% of cost of each stage during the build/conversion/renovation subject to valuation; and
- Funds are released on an arrears stage payment basis.

## Re-mortgages

If you're an existing homeowner, a re-mortgage can be an excellent way to transfer your mortgage to a more competitive rate of interest. You can also raise money from your home for a whole range of purposes: a holiday; a car or home improvements. This may be appropriate if your current repayments are well within your means and you want to access the cash tied up in your house. If your home has increased in value and the mortgage is significantly less than the value of your home, a remortgage could be a very attractive proposition.

In addition, if they're feeling generous, your friends and family can also contribute towards the investment that is offset against your mortgage, helping you to pay off your mortgage balance quicker than planned.

## First time buyer

We know that buying your first home can be a daunting task and that you need all the help you can get. At the Newcastle we recognise the difficulties that people face in getting onto the property ladder. That is why we have a range of products designed specifically to help you make that first step. Our First Time Buyer deals are designed for those who do not have a large deposit to put down on a property.

## Guarantor mortgages

Guarantor mortgages are where usually a parent stands as security for their child's loan. The guarantor must be in a position to be able to afford to repay the loan, if necessary. There must be a direct relationship between the applicant(s) and the guarantor(s), i.e. close family relative. Applicants should generally be able to demonstrate that they can afford mortgage payments, with the guarantee required only as they are slightly outside of lending policy. Alternatively, we will accept applications where the guarantor is required to assist affordability as the applicant does not have sufficient income to support the entire loan. The applicant will be required to support at least 50% of the loan with the guarantor making up the additional 'top slice'.

Please note all product types above are subject to availability.

# How much can I borrow?

We assess your borrowing capacity through our affordability calculator which is tailored to your individual circumstances. Assessment of how much you can borrow is calculated through a combination of your income, regular commitments and household/lifestyle expenditure.

In assessing affordability, all unsecured loans have more than 6 months to run, credit cards and maintenance will be deducted. In addition, deductions will

also be made for declared household and lifestyle expenditure which is compared against statistical data for accuracy.

To see how much you could borrow, please visit our website: [www.newcastle.co.uk](http://www.newcastle.co.uk). Alternatively, you can call into your local branch or contact our Newcastle Direct Team on **0845 606 4488**, where one of our experienced mortgage advisers will be able to assist you.



Through **responsible lending** we ensure you are able to manage your loan repayments.

# Mortgage repayments. What's your type?

There are two ways to repay your mortgage, interest only and repayment. Let us explain both methods to you.

## Interest Only Mortgage

By selecting an Interest Only or Part Interest Only Mortgage, you will only pay interest on a monthly basis and not reduce the capital balance of the loan - that is, pay back any of the money you borrowed from us. Where loans are arranged on an interest only basis the maximum LTV is capped at 50%.

You can choose from a variety of ways to repay the capital balance, which include:

- investing in an endowment policy or pension plan;
- ISA or savings.

We will request details of the applicants repayment strategy and this must be reasonable and adequate to cover the loan.

If you decide to rely on an endowment policy, pension, or other regulated financial product, it is your responsibility to keep the policy safe and to pay the premiums direct to the product's provider.

## Repayment Mortgage

This involves you paying back the capital and interest over a number of years. At the end of the mortgage term, providing all required monthly repayments have been paid when due, you will have repaid all the interest and capital balance outstanding on your mortgage and finally you are mortgage free!

## Interest explained.

Interest is calculated on the balance of your account at the end of each day. This interest will be accrued daily and added to your account balance on the last day of each month.

### Repayment Mortgage

Payments into your account will affect your balance and the interest you subsequently pay. Providing you make your payments on time this means that every time you make a payment of any size, the amount on which interest is calculated is immediately reduced.

This could save you hundreds, even thousands of pounds over the life of your mortgage. Cheque payments will credit your account after six calendar days.

### Interest only mortgage

Interest is calculated on the same basis as a repayment mortgage. However when you make your monthly payments, only the interest will reduce. Your balance will remain the same. It is your responsibility to ensure you have a repayment plan in place.

## Sometimes there are fees and charges.

If the product carries fees and charges they will be clearly outlined in the Key Facts Illustration (KFI). The following gives you a brief (but not exhaustive) description of what fees and charges may be payable.

### Reservation fee

If a product has a reservation fee attached, the fee is to be paid up-front and is non-refundable. Paying this fee guarantees the availability of the product.

### Completion fee

These fees may vary depending upon the size of the loan and mortgage product you take. The fee can be debited to the mortgage account on completion or (providing within LTV limits) be paid upfront to the Society.

### Mortgage valuation fee

We need to make sure that the value of your new home is enough to cover the mortgage. So we carry out a mortgage valuation on the property. The cost for this depends on the purchase price/valuation of the property.

Please refer to the Summary of Fees for further details. There are three types of property valuations we offer which are:

- **Basic Survey** - this outlines any major defects to the property.
- **Home Buyers' Report** - this involves a more detailed inspection of the property than a standard valuation.
- **Building Survey** - this is a comprehensive examination of the property that gives a detailed description of its condition. A valuation will be carried out at the same time.

### Solicitor's charges

A legal fee will be payable to your conveyancer for the work they will carry out on your behalf and the Society's.

### Re-inspection fee

Self-build properties, or properties where we have retained some of the original advance until work is carried out, are subject to a re-inspection. Each case will be assessed on an individual basis.

### Stamp duty

This is a Government tax that you will have to pay depending on the price of the property you are buying. For full details please refer to [www.direct.gov.uk](http://www.direct.gov.uk)

### Estate Agent fees

This fee covers a number of various services which include setting the asking price of your property, producing sales material, promoting and advertising the property and arranging viewings with a view to receiving an offer on the property.

Wherever you are purchasing your property our team of advisers will be able to guide you through the process.

## Tips for choosing your home

Viewing a property that could potentially become your new home is no doubt exciting. But, for many, there's the worry they could make the wrong decision to buy, simply because they didn't find out as much about the property as possible when making the first visit.

So, for a better chance of finding a house that you can happily call your home, take a look at these top ten tips provided by LSL Property Services plc, owners of estate agency brands Your Move and Reeds Rains:

1. Research the area. Your estate agent should be able to provide some information but it's also worth checking out websites such as [www.upmystreet.com](http://www.upmystreet.com) which provides details of crime rates and council tax. Find out about the local schools to see if they are suitable for you and your family.
2. Visit the area at different times of the day to get a general feel for the town or street you are interested in. Keep in mind the traffic and noise volumes.
3. Check out the property externally first. Look out for loose roof tiles, cracks in exterior walls and poor quality window frames as these could indicate further work, and money.
4. Consider areas that would be most costly to repair once inside the property. If the property is old, ask if the electrics, damp proof course or heating systems have been replaced at any time and ask to see copies of guarantees and warranties. Also, don't forget to check the Energy Performance Certificate from the seller which will give you a good indication of what energy bills you may face.

5. Check for damp patches on walls or hidden ceilings. Some may be hidden behind furniture or large pictures. Rusty radiators or pipes are also good indicators of damp on properties.
6. Kitchens and bathrooms are the most expensive rooms to refit so if you don't like the current fixtures and fittings, remember to budget for replacements.
7. Ignore basic decor. Everyone's tastes are different and basic decorations are not expensive to re-do. Plus, you'll have fun making your own mark on the property!
8. What direction does the property face? Sounds daft, but if you like to sit in the sun in your garden, you'll have to consider this.
9. Think about parking space. Is the driveway big enough? Does it have a garage and does the street offer suitable and safe parking spaces for you and visitors.
10. Be prepared to be flexible. Remember there's no such thing as a perfect house.

### Check List

#### Outside the Property

- Are there good amenities nearby? (e.g. schools, doctors and transport links.)
- Is it on a busy road?
- Are there loose roof tiles or cracks in the external walls?
- Is there a parking area nearby?

#### Inside the Property

- Are there signs of damp?
- Are the window frames in good condition?
- Are fixtures and fittings (including carpets) included in the price?
- Can you hear neighbours?

# The mortgage process. Step by step.

If you've never bought a property before, the following will take you by the hand and guide you through the process of getting a mortgage. If you have had a mortgage before, if nothing else, it might be a handy reminder for you.

## Step 1

Contact us to see how much you can borrow or visit our affordability calculator on our website: [www.newcastle.co.uk](http://www.newcastle.co.uk)

## Step 2

Find a property that is right for you.

## Step 3

Contact us for a key facts illustration.

## Step 4

Make a formal offer subject to a satisfactory valuation/survey.

## Step 5

Make a formal application to us for a loan (see step 7).

## Step 6

Instruct your solicitor.

## Step 7

### Completing the mortgage application form

It is important to take time completing the mortgage application form. It may appear lengthy but we will require all the information if we are to process your application quickly and efficiently. Please note that you should answer all the questions in each section. If they are not relevant to your application, please answer 'not applicable'.

Finally, don't forget to read the declarations - these are important. You should also remember to sign and date the form.

## Step 8

### Accompanying documents

A number of documents are required with your application. To help progress your application quickly, your mortgage adviser will supply a checklist entitled 'What to send with your mortgage application'. On this form your adviser will highlight documents required for your particular case.

Please take time to work through this checklist. It will make your application run as smoothly as possible.

## Step 9

### The offer of advance

We will make an offer of advance dependent on the valuation of the property or the purchase price; whichever is lower. This offer will state how much we will lend you, over how long and what the current rate of interest is.

Once you have accepted our offer of advance, certain legal procedures have to be completed before the purchase can take place. You should liaise with your solicitor with regards to these.

Our mortgage advisers can help you choose a mortgage **that's right for you.**



## Step 10

### The role of the solicitor

The solicitor's main job is conveyancing - the mechanism by which the legal transfer of ownership of your new home is affected. Your solicitor will liaise with the seller's solicitor to check that the legal title to the property you wish to buy is acceptable and can be legally transferred to you. They will also carry out local searches with local authorities, drawing up your contract, preparing transfer documents, checking legal documents, performing land registry searches and much more.

The seller's solicitor will prepare the contract for sale and send this to your solicitor along with the required title documents. Your solicitor will then check and approve the contract and title to the property on your behalf.

The contract is the legal agreement between you and the seller, which sets out the price, terms and date on which the property will transfer into your ownership.

So how can you make sure you find the right Solicitor? Firstly, it's helpful to use a local solicitor as they should have a relationship with the local planners and will understand local regulations. Calling around and speaking with companies will give you an idea of how efficient and helpful they'll be.

A good conveyancer will take the time to explain what it is they will do clearly and concisely, and should strive to gain a full understanding of your needs.

Talk to friends and family who have recently moved house and find out who they used. Word of mouth really is a powerful tool and can either put you in the right direction or at least make sure you steer away from a bad one.

Searching the web could provide you with a lot of free information to see what companies there are available in your local area. Also, how comprehensive and helpful their website is can sometimes attract you to go with them, so it's well worth a browse. As with anything, costs can be a factor when choosing a conveyancer and may be the biggest decider for you.

## House purchases

Once the contracts have been agreed and your solicitor has received a copy of your mortgage offer, he or she is then in a position to consider exchanging contracts.

Once the contracts have been exchanged, the price is fixed and your purchase is secure. Your deposit will be required when contracts are exchanged. Completion, the point when you finally own the property, is normally one month from the date of exchange. This can be shorter or longer if both seller and buyer agree.

Your solicitor will also check the replies given by the local authority to ensure that the property is not affected by any matters on the local land charges registers, which the local authority are required to maintain. This can include checking that there are not any local authority schemes that could affect your property, i.e. compulsory purchase orders or road widening schemes.

Your solicitor may also negotiate for you if you wish for repairs to be carried out to the property before completion, or if you are seeking a reduction in price after the results of the survey.

## Remortgages

If the product you are remortgaging to is a fees free product, all search costs are covered by the Indemnity Policy. There may be additional premiums for larger property loans. If the product is not fees free you will need to negotiate fees with your solicitor. If you don't have a solicitor, we will be able to recommend one for you.

## Buying in Scotland

The conveyancing system in Scotland is very different to the one described above. The most important difference for buyers is that you should bid for a property through your solicitor. The seller then chooses whether or not to accept a bid.

If the seller gives a closing date for offers, all those interested must make sealed bids which are then opened on that date. The seller will normally choose the highest bid, but it's worth noting they are not legally required to do so. If your bid is accepted, you will normally be bound to buy the property.

## Buying in Northern Ireland

The process is similar to that in England and Wales. Contracts are not exchanged until your solicitor has negotiated with the seller and a mortgage offer has been made. Once contracts are exchanged a completion date will be agreed between parties.

To ensure your mortgage process runs smoothly speak to one of our advisers today.

# Questions, questions, questions. We all have them.

In fact we've been asked a lot in our time. So here are the answers to some of them.

## Can I let my property?

You must not let your property during the term of your mortgage without first obtaining our written consent. If you do receive consent to let your property there may be additional charges and changes to your interest rate.

## Can I sell my property?

If you decide to sell your property, please contact us so we can arrange a mortgage for your new home.

We like to maintain long-term relationships with our members, so would be delighted if you chose to stay with the Society. We'll get you the very best deal we can. Alternatively, if you are looking to move home and wish to remain with the Society you can port your existing mortgage to your new property (existing mortgage balance only).

## Could I take a Further Advance?

If you are already a borrower then you may wish to consider a Further Advance which you can use for any purpose. This loan will be secured against your property. There must be enough value in the property to allow this further borrowing on top of existing commitments.

## Can I make overpayments?

You may be able make overpayments without incurring any charge, please refer to individual product literature for details. Products with no early repayment charges attached can pay lump sums at any time.

If you have any further questions or would like further information on the above, call into your local branch or call us direct on **0845 606 4488**.

# Insurance.

When you buy your home you want the peace of mind knowing that you're covered should the worst happen. We provide a range of affordable insurance policies as follows:

- Buildings & Contents Insurance
- Critical Illness Cover
- Life Insurance Cover

Please refer to our 'Insurance' brochure which provides information about all of our insurance products. You can also call us on **0845 606 4488** to find out more.



Our mortgage and protection advisers will assist in finding **the right policy** for all your insurance needs.

## What to do next.

Once you've discussed your options with us and decided which mortgage is right for you, read the 'Key Facts Illustration' and return all the relevant documentation to us. Simple.

## Ways to manage your account.

We want you to get the most out of your mortgage, that's why we provide a range of ways for you to manage your account. So, wherever you are, you're in charge via our branch network or on the phone.

Finding the right mortgage is easy **with our help.**

## For all your financial needs come to the **Newcastle.**

We can also help you with...



### Savings

- The importance of saving
- Short-term products
- Long-term products
- ISAs explained
- Our savings promise



### Financial Planning

- Investments
- Inheritance tax planning
- Pensions
- Estate planning service
- Funeral planning



### Insurance

- Home Buildings & Contents
- Personal possessions cover
- Income protection
- Critical illness
- Family legal protection
- Life Assurance