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| CurrentDate | Our Ref: FileRef  Your Ref: ClientRef |

**PRIVATE AND CONFIDENTIAL**

Dear ClientName ClientSurname,

**Purchase of PropertyDetails**

I am pleased to confirm I have received your mortgage offer from Lender and I confirm the following in relation to the offer.

### Your Mortgage Offer

Please ensure that you carefully read the mortgage offer letter together with the accompanying booklets and documentation, which you will have received from the mortgage Lender.

As the mortgage is in joint names you are both equally liable for the whole amount of the mortgage debt until this is paid in full. Consequently, the Lender can pursue either one or both of you for the whole amount of the mortgage debt. A mortgage is more accurately described as a personal loan with security. In these circumstances the mortgage debt means the amount originally borrowed together with accrued interest, costs, expenses, etc., incurred by the Lender.

# Amount of Advance and Period of Loan

The mortgage offer confirms that Lender will lend you the sum of LoanAmount as against the purchase price of PurchasePrice.

The mortgage is to be paid over a period of Term years.

# Deduction

There will be a deduction of £ from your mortgage offer for DeductionValue.

This means that the amount that we will actually receive by way of mortgage advance towards the purchase of your property will be LoanAmount.

# Retention

There is to be retention from the mortgage advance of RetentionAmount. This is for RetentionReason.

# Cashback

The offer confirms that upon completion of your mortgage you will qualify for a cashback of CashbackAmount. Please note that these monies may not be used to form part of your deposit.

# Interest Rate

Your mortgage is based on an rate of Rate%. For further information, please refer to your mortgage offer or speak to your mortgage advisor direct.

# Early Repayment Penalty

The maximum charge you could have to pay is EarlyPenaltyAmount. For further information, please refer to your mortgage offer or speak to your mortgage advisor direct.

# Your Repayment

The mortgage is subject to a general condition that payments to Lender be made by way of transfer either from an internal account with the itself or by way of Direct Debit from an external account.

# Insurance

I understand that you are using the ’s own insurance on the property and therefore I would ask you to ensure that all the relevant forms have been completed and returned to the as soon as possible. If you decide to utilise Lender’s insurance, then we need take no further action in this regard.

## OR

# Insurance

The offer confirms that you are arranging your own buildings insurance on the property. You must ensure that the property is adequately insured, in line with the mortgage offer. The property must be insured for a sum of InsuranceAmount.

I would strongly advise that your insurance be arranged to be in force by exchange of Contracts, as the risk in the property passes to you at that time.

# Valuation Report

You will have received a copy of a Valuation Report carried out by the upon the property. Could you please note that this has been prepared for Lender‘s purposes only to enable them to assess the suitability of the property for the mortgage. The report should not therefore be taken as a full report on all matters effecting the property. In particular, should there be any defect in the property, or if the report should have missed anything, then you will not be in a position to seek recourse as a result of any error or omission in the report.

I would strongly advise that you obtain your own independent survey upon the condition of the property, for your own protection and information. This is commonly known as a Homebuyers Report, and addresses all issues relating to the condition of the property, and necessary works to be carried out.

This will then be your own valuation carried out by your own surveyor and will leave you with peace of mind. If you would wish to have a Homebuyers Report carried out upon the property, and require assistance with contacting a suitable surveyor, then please do not hesitate to contact me and I will be in a position to put you in touch with someone who will be able to assist.

You should make all necessary enquiries and ensure that you are completely happy with the property before entering into a legal commitment to purchase. The latin maxim `Caveat Emptor’ applies from exchange of Contracts, which roughly translates as `buyer beware’ and means that you have agreed to buy the property as it stands and as you see it.

# Your Mortgage Repayments

I note that the mortgage is to be a repayment mortgage, which means that your repayments will include both capital and interest. There is therefore to be no related endowment policy or other form of investment plan to pay off the capital outstanding at the end of the mortgage term. You are however advised to arrange separate life cover. This would pay off the mortgage debt in the event of your death.

## OR

# Your Mortgage Repayments

The mortgage confirms that the mortgage is to be an interest only mortgage. I therefore presume that you will either be arranging or already have in force an existing endowment policy or policies which are to be utilised by you to pay off the capital element of the mortgage at the end of the mortgage term. Could you please advise as to who is organising the policy for you, or who your policy is with, as we need to ensure that the policy is submitted to the for inspection and returned within 6 months of completion. Failure to do this may result in the mortgage being transferred automatically to a repayment mortgage which may result in there being arrears on the mortgage as no capital payments will have been made.

So far as the policy is concerned, Lender are not taking on any form of assignment, charge, or deposit on the policy and it is therefore your responsibility to ensure that the policy generates sufficient funds to pay off the mortgage at the end of the mortgage term. If, however, the policy or the benefit of it is assigned, charged, surrendered, sold, varied or lapses or if you become bankrupt then Lender reserves the right without notice to transfer the mortgage to the repayment scheme. This will obviously result in increased monthly payments and may result in arrears due to capital not being paid.

# Persons of 17 Years of Age

Could you please confirm as to whether or not there will be any other person(s) over the age of 17 living at the property with you. It is a condition of the mortgage that any occupier over the age of 17 who is not a party to the mortgage must sign a consent to the same.

# Mortgage Security

The mortgage offer confirms that an additional mortgage security will be arranged by Lender. A single one-off fee will be charged and this sum will be deducted from your loan upon completion. Consequently, the sum of money I will receive from Lender upon completion will be LoanAmountSecurityAmount.

This fee will be used, at least in part, to pay a single one-off premium for an insurance policy. This insurance policy protects Lender only. Consequently, if Lender do have to exercise their power of sale under the terms of the mortgage having evicted you and the sale proceeds for the property are insufficient to pay the mortgage debt then the insurance company will make a payment to Lender by way of compensation. If the policy does not provide sufficient funds to repay the mortgage debt in full, the Lender may still look to you for the balance.

Yours sincerely

**FirmName**

Email: SolicitorEmail