



Date Produced: 27 Aug 2004

Reference: 321/tef/Green

Personalised Illustration for: Mr George Geoffrey Green and Mrs Glenda Georgina Green
 This illustration is valid until 29 Feb 2004 and the mortgage must commence on or before 31 Mar 2004.

This is not a legally binding mortgage offer and it does not oblige Watford Bank to provide you with the mortgage described in this illustration.

1. About this illustration

- We are required by the Financial Services Authority (FSA) - the independent watchdog that regulates financial services - to provide you with this illustration.
- All firms selling mortgages are required to give you illustrations like this one, that contain similar information presented in the same way.
- Ensure that you obtain other illustrations if you want to compare this mortgage with mortgages from other lenders.

2. Which service are we providing you with?

ü	Squeers Financial Services recommends, having assessed your needs, that you take out this mortgage.
	Squeers Financial Services is not recommending a particular mortgage for you. However, based on your answers to some questions, it is giving you information about this mortgage, so that you can make your own choice.

3. What you have told us

This illustration is based on the following borrowing requirements for house purchase: • Loan Amount: £165,000 plus £250.00 for fees and £1,234.00 for insurance premiums that will be added to the loan. See Sections 8 and 9 for details, including any additional fees that you need to pay.

- Term of mortgage: 25 years 0 months
- Type of mortgage: Part repayment and part interest-only
- Purchase price: £187,000

- We recommended that, in view of your personal circumstances, you should take independent financial advice but you decided against doing this.

The details in this illustration could be affected by the valuation that will be carried out on the property or by changes to any of the information that you have given us. If this is the case, please ask for a revised illustration.

4. Description of this mortgage

This mortgage is provided by Watford Bank.

As this mortgage is made up of more than one part, these parts are summarised below:

Part	Loan Amount	Term of Loan	Repayment Method	Product Description	Initial Rate Payable
1	£50,000	25 years 0 months	Repayment	Standard Variable Rate – a variable rate, currently 6.0%, for the term of the mortgage..	6.0%
2	£70,000	18 years 0 months	Interest-only	3 year Discount Rate – a variable rate, currently 6.0%, with a discount of 1.25% for 3 years 0 months, giving a current rate payable of 4.75%.	4.75%
3	£45,000	25 years 0 months	Repayment	Fixed Rate – a fixed rate of 6.15% until 31 Mar 2008.	6.15%
	£165,000				

- You are obliged to take out buildings and contents insurance through Dodgy Insurers plc as a condition of this mortgage. Please refer to Section 9 of this illustration for further details.
- Restrictions. The availability of the product(s) is restricted to the following:
 - Part 1: Applicant status: First time buyers
Existing owners
 - Property location: England and Wales
Scotland
 - Part 2: Employment type: Self-employed
Employed
 - Property location: England and Wales
 - Part 3: Applicant status: Self-build
 - Employment type: Self-employed
Contractor
 - Property location: England and Wales
- This mortgage meets the Government's CAT standards. Further information on mortgage CAT standards is available from the Financial Services Authority (www.fsa.gov.uk/consumer) or by calling 0845 606 1234.

5. Overall cost of this mortgage

The overall cost takes into account the payments in Sections 6 and 8 below.

With you gradually pay off the amount you have borrowed, as well as the interest, over the life of the mortgage.

The total amount you must pay back, including the amount borrowed, is:

£141,337

This means you pay back:

£1.87 for every £1
borrowed

The overall cost for comparison is:

5.9% APR

The figures in this section will vary following interest rate changes and if you do not keep this mortgage for 25 years 0 months.

Only use the figures in this section to compare the cost with another repayment mortgage.

6. What you will need to pay each month

This illustration is based on a loan amount of £167,019 and includes the fees and insurance premiums that are shown in Sections 8 and 9 as being added to your mortgage.

This illustration assumes that the mortgage will start on 01 May 2004.

Part	Loan Amount	Number of Monthly Payments	Repayment Method	Initial Interest Rate Payable	Fixed or Variable	Initial Monthly Payments
1	£52,019	300	Repayment	6.0%	Variable	£335.16
2	£70,000	36	Interest Only	4.75%	Variable	£277.08
3	£45,000	48	Repayment	6.15%	Fixed	£294.08
	£167,019					£906.32

Cost of repaying the capital

You will still owe £70,000 at the end of the mortgage term. You will need to make separate arrangements to repay this. When comparing the payments on this mortgage with , remember to add any money that you may need to pay into a separate savings plan to build up a lump sum to repay this amount.

It is important to check regularly that your savings plan is on track to repay the mortgage at the end of the term.

Savings plan that you must take out through Watford Bank	Monthly Payments
Pay your money, get less back. (See separate Key Features Document)	£100.00
Pay more, get even less. (See separate Key Features Document)	£
A quotation is not available at present and one will be provided as soon as possible.	
When you have found out what payments you need to make into a savings plan you may find it helpful to add these to your mortgage payments and put the total payment in the column opposite.	

What you will need to pay each month including the cost of a savings plan to repay the capital.

Part	Loan Amount	Number of Monthly Payments	Repayment Method	Initial Interest Rate Payable	Fixed or Variable	Initial Monthly Payments
1	£52,019	300	Repayment	6.0%	Variable	£335.16
2	£70,000	36	Interest Only	4.75%	Variable	£277.08
3	£45,000	48	Repayment	6.15%	Fixed	£294.08
	£167,019					
Pay your money, get less back.						£100.00
Pay more, get even less.						£23.45
TOTAL						£1,153.22

6a. What you will need to pay in future	Monthly Payments
36After months your discounted rate on part 2 will end and, assuming interest rates do not change, your new payment will be:	£1,054.24
48After months your fixed rate on part 3 will end and, assuming interest rates do not change, your new payment will be:	£1,050.58
The payments quoted in this section include the cost of the savings plan(s) in Section 9.	

7. Are you comfortable with the risks?

What if interest rates go up?

The monthly payments shown in this illustration could be considerably different if interest rates change.

RATES MAY INCREASE BY MUCH MORE THAN THIS, SO MAKE SURE YOU CAN AFFORD THE MONTHLY PAYMENT

What if your income goes down?

You will still have to pay your mortgage if you lose your job or illness prevents you from working. Think about whether you could do this.

MAKE SURE YOU CAN AFFORD YOUR MORTGAGE IF YOUR INCOME FALLS

The FSA's information sheet "*You can afford your mortgage now, but what if...?*" will help you consider the risks. You can get a free copy from www.fsa.gov.uk/consumer or by calling 0845 606 1234.

7a. Total Borrowing

This section gives you information about how your mortgage will be affected by taking out this additional borrowing. Talk to Watford Bank if you are not sure of the details of your current mortgage.

When this additional borrowing is added to your existing mortgage, the total amount you owe will be £165,000 and your new monthly payment based on this amount will be:	Monthly Payment
Initial monthly payment:	£906.32
After 36 months the discount rate period on a portion of your mortgage will end and, assuming interest rates do not change, your new monthly payment will be:	£1,006.32
After 48 months the fixed rate period on a portion of your mortgage will end and, assuming interest rates do not change, your new monthly payment will be:	£1,106.32

8. What fees must you pay?	Fee Amount
Fees payable to Watford Bank Application fee. <ul style="list-style-type: none"> not refundable. £250 payable on application / £250 payable at the start of the mortgage. £250 added to the loan. A higher lending charge is payable because you are borrowing 94.29% of the purchase price of the property. <ul style="list-style-type: none"> not refundable added to the loan Other Fees Legal fees are payable to your solicitor for acting on behalf of Watford Bank, usually payable at the time your mortgage starts. They are non-refundable. The figure quoted here is an estimate and is only part of the cost of the conveyancing work. You should ask your solicitor for details You may have to pay other taxes or costs in addition to any fees shown here.	 £150.00 £1,519.00 £300.00

9. Insurance	Monthly Payments
Insurance you must take out through Squeers Financial Services Pay up until you die, only then will we pay out. (See separate policy summary) <ul style="list-style-type: none"> Maintain until 25th February 2050 Sum insured £50,000 Premium payable annually Pay through the nose, you'll get it in the neck. (See separate policy summary) <ul style="list-style-type: none"> Maintain until 1st April 2006 Sum insured £250,000 Premium payable monthly The annual insurance premium will be added to your mortgage account and increase the amount you owe. You can pay this premium in full by 30 Apr 2004 at no extra cost, otherwise interest will be charged at standard variable rate which is 4.0%. Insurance you must take out as a condition of this mortgage but that you do not have to take out through Watford Bank and/or Squeers Financial Services. There are no conditional insurances required with this mortgage.	 £66.66 £77.77

10. What happens if you do not want this mortgage any more?

Early repayment charges

Part 1:

- There are no early repayments charges.

Part 2:

- Early repayment charges are payable as shown below. The charges have been calculated on the basis of a current loan amount of £70,000.

Period of the Charge	Basis of the Charge	Cash Example
The first 36 months	2% of the original balance for the first 3 years	£4,200.00

Part 3:

- Early repayment charges are payable as shown below. The charges have been calculated on the basis of a current loan amount of £45,000.

Period of the Charge	Basis of the Charge	Cash Example
The first 36 months	£2,000 for the first 3 years	£2,000.00

Summary:

What happens if you move house?

If you move house, you can transfer parts 1 and 2 of this mortgage to another property, subject to terms and conditions (please see the relevant product leaflet(s) for full details). The balance of this mortgage must be repaid, subject to any early repayment charges. If you need to borrow more for the new property, this will be arranged using a new product.

11. What happens if you want to make overpayments?

Part 1:

- There are no restrictions on making overpayments.
- If you make a lump sum payment or overpayment, the amount you owe, and so the interest you pay, is not reduced immediately but is recalculated on 28th February.

Part 2:

- You can make a lump sum payment or regular overpayments of up to 10% of the original loan amount before or on 31 January 2006 and for any amount after that date without having to pay any early repayment charge.
- If you make a lump sum payment or overpayment, the amount you owe, and so the amount of interest you pay, is reduced immediately. This means that you will get the benefit as soon as the payment has cleared.

Part 3:

- You can make a lump sum payment or regular overpayments.
- If you make a lump sum payment or overpayment, the amount you owe, and so the interest you pay, is not reduced immediately but is recalculated on .

12. Additional features

Underpayments

Reduced monthly payments to part 2 of the mortgage are allowed at any time. This will mean that your monthly payments may increase.

Payment holidays

Payment holidays are allowed in respect of payments due to part 3 of the mortgage are allowed at any time provided sufficient overpayments have previously been made. This may mean that your monthly payments will increase.

Incentives

You will receive loadsamoney as an incentive on this mortgage following completion. This incentive will be to a value of £750.

13. Using a mortgage intermediary

No payment will be made to Squeers Financial Services by Watford Bank.

14. Where can you get more information on mortgages?

The FSA publishes useful guides on choosing a mortgage.

These are available free through its website: www.fsa.gov.uk/consumer or by calling 0845 606 1234.

The website also provides Comparative Tables to help you to shop around.

Contact Details

If you want to discuss this mortgage illustration, please contact:

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You should quote this reference: 321/tef/Green

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