

# Interest-Only Mortgage Customer Declaration

As all or part of your mortgage is on an interest-only basis, each applicant must complete this declaration to confirm they understand the implications of interest-only and confirm how they intend to pay off the mortgage balance at the end of the mortgage term.

Please complete the section that's relevant to your mortgage.

- If the plan is to sell the mortgaged property at the end of the term **complete section 1.**
- Otherwise, **complete section 2.**

**YOU MAY WISH TO KEEP A COPY OF THIS SIGNED DECLARATION FOR YOUR RECORDS.**

The Mortgage Lender Limited is authorised and regulated by the Financial Conduct Authority (Financial Services Firm Reference Number 707058). Our Buy to Let mortgages are not regulated by the Financial Conduct Authority. Registered in England & Wales as company number 9280057. Registered office address: Lutea House, Warley Hill Business Park, The Drive, Great Warley, Brentwood, Essex, CM13 3BE.

The Mortgage Lender Limited | PO BOX 27135, Glasgow, G1 9EG | [www.themortgagelender.com](http://www.themortgagelender.com) | 0344 257 0416

## SECTION 1

### INTEREST-ONLY REPAYMENT STRATEGY - SALE OF MORTGAGED PROPERTY



#### Application Details

Application Reference	
Full Name (applicant 1)	
Full Name (applicant 2)	
Property Address	

The mortgaged property is/will be your home. For your benefit and protection, you must read the following implications carefully and confirm details of your repayment strategy before signing the declaration. If there is anything you don't understand don't sign the declaration and speak to your mortgage intermediary.

#### Implications

As all or part of your mortgage is on an interest-only basis, it is important you understand that:

- An interest-only mortgage means your balance will not reduce. Your monthly repayments only cover the interest and so the original amount borrowed will remain outstanding; and
- At the end of your mortgage term, it is your responsibility to have a plan in place to repay the outstanding mortgage balance.

#### Considerations

Property valuations can go up and down. As you plan to repay your mortgage by selling your home, please think about how your plans could be affected if the value of your home reduces. For example:

- If your plan is to downsize this could affect the type, location and cost of where you want to live;
- There's a risk that you could be placed in 'negative equity'. This means you may not receive enough money from the sale of your home to repay the amount owed at the end of the term; and
- If your home is a leasehold property, its value could also fall as the term remaining on your lease reduces.

#### Applicant Declaration

- To the best of my knowledge the information provided in this form is correct.
- I accept and understand that it is my responsibility to ensure I have sufficient means to repay the amount owed at the end of the mortgage term.
- I understand that an interest-only mortgage balance will not reduce and that the monthly payment will only cover the interest.
- I confirm that I intend to sell my home to repay the amount owed at the end of the mortgage term.
- I understand that the value of my property can go down as well as up and this could affect my plans.
- I confirm I have discussed the implications of an interest-only mortgage with my mortgage intermediary.
- I understand you may contact me for further details during the term of my mortgage and may ask me to consider alternative ways to repay my mortgage balance if there is a risk that my repayment strategy is not on track.

#### Application Signature(s)

Full Name (applicant 1)		
Signed (applicant 1)		Date
Full Name (applicant 2)		
Signed (applicant 2)		Date

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

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## SECTION 2

### INTEREST-ONLY REPAYMENT STRATEGY - SAVINGS, INVESTMENTS OR SALE OF OTHER PROPERTY



#### Application Details

Application Reference	
Full Name (applicant 1)	
Full Name (applicant 2)	
Property Address	

The mortgaged property is/will be your home. For your benefit and protection, you must read the following implications carefully and confirm details of your repayment strategy before signing the declaration. If there is anything you don't understand don't sign the declaration and speak to your mortgage intermediary.

#### Implications

As all or part of your mortgage is on an interest-only basis, it is important you understand that:

- An interest-only mortgage means your balance will not reduce. Your monthly repayments only cover the interest and so the original amount borrowed will remain outstanding; and
- At the end of your mortgage term, it is your responsibility to have a plan in place to repay the outstanding mortgage balance.

#### Repayment Strategy

Confirm which of the following repayment strategies you have in place, (you can select more than one). Your mortgage intermediary can provide details of the strategies that are acceptable to us.

Investments      Cash Savings      Sale of other UK property/ies

#### Applicant Declaration

- To the best of my knowledge the information provided in this form is correct.
- I accept and understand that it is my responsibility to ensure I have sufficient means to repay the amount owed at the end of the mortgage term.
- I understand that an interest-only mortgage balance will not reduce and that the monthly payment will only cover the interest.
- I confirm I have discussed the implications of an interest-only mortgage with my mortgage intermediary.
- I understand you may contact me for further details during the term of my mortgage and may ask me to consider alternative ways to repay my mortgage balance if there is a risk that my repayment strategy is not on track.

#### Application Signature(s)

Full Name (applicant 1)		
Signed (applicant 1)		Date
Full Name (applicant 2)		
Signed (applicant 2)		Date

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