



Mortgages... giving you the choice



reliancebank

The Salvation Army's Bank

'About us'

Established in 1890, when it was known as The Salvation Army Bank, Reliance Bank Limited is built upon caring foundations that remain as strong as ever. The Salvation Army's founder, William Booth, was a man renowned for getting things done. When he needed to attract investments to finance mortgages on property vital to the work of the movement, his response was to set up the Army's own bank.

Today, we remain part of The Salvation Army and all profits made by the Bank go to support its ongoing work. This will either be in the form of direct donations made to The Salvation Army or by increasing the value of shareholder investment in the Bank through retained earnings.

Reliance Bank Limited is a growing business and it is not only The Salvation Army which relies on the Bank, but it is also trusted by many private customers, as well as other churches, charities, and businesses.

Reliance Bank prioritises customer care and puts people first, just like The Salvation Army. We care about our customers and the issues that matter to you. We believe in ethical banking and our investments and loans are made within strict ethical boundaries. We're proud to support The Salvation Army's evangelical and charitable work.

Reliance Bank Limited is authorised by the Prudential Regulation Authority
and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

This booklet aims to help you understand Reliance Bank Limited's Mortgages and guide you through our application process.

We all know that buying a home can be stressful and there is so much involved . . . estate agents . . . solicitors . . . surveys . . . mortgages.

Whether you are buying your first property, moving home or just wanting to move your mortgage, we would like to make the process as straightforward as possible.

At Reliance Bank, we do not offer advice or recommendation; we only offer an execution-only mortgage service. This means we can provide you with information only.

In response to your enquiry, we will provide you with information on our current mortgage products allowing you the opportunity to review them and consider whether any meet your individual requirements.

Once you have identified the product that best suits your requirements, we would need you to complete an application form with the amount you would like to borrow and over what term.

Which mortgage is right for you?

Reliance Bank has the following types of mortgage products for you to choose to suit you

- Fixed Rate** - Interest rate fixed for duration of time, meaning your monthly payments will stay the same during this fixed rate period. This can be helpful if you wish to account for your monthly bills remaining the same at the end of the fixed rate period, the rate will change to a variable rate. We do however contact you and offer you a choice of mortgages products on offer at that time for you to consider

- Tracker Rate** - The Tracker interest rate is linked to the Reliance Bank Limited Base Rate, for duration of time. The monthly repayments would automatically change if the base rate increased or was lowered. At the end of the tracker period the rate will change to a variable rate, or you can choose a different product to convert to.
- Variable Rate** - The interest rate is variable and may change during the term of the loan. After the first 12 months you are eligible to choose a different product as listed above.
- Fees** - For some of our mortgages we have arrangement fees, and this needs to be considered when choosing the product. For existing customers changing to a fee based product we offer 25% discount on the initial cost.

Types of interest repayment

Capital Repayment

The monthly payment is made up of interest, plus an amount towards repaying part of the capital borrowed. Assuming all payments are made in line with the agreement, your mortgage will be fully repaid at the end of the loan term. This is the most common type of repayment and helps you assess the monthly cost and term of paying your loan.

Interest Only

The monthly mortgage repayment only covers the interest amount being charged on the mortgage. There is no monthly reduction to the capital amount outstanding. You will need to have in place a repayment tool, such as an investment, to ensure you have the funds available to repay the amount borrowed. It is your responsibility to monitor and maintain your repayment plan, to ensure you have the funding for the value required to pay the debt in full, either at the end of the mortgage term or before. Evidence of such a repayment plan will be required in order for us to assess this type of mortgage repayment.

Additional options to consider when choosing the mortgage product

Early Repayment charges

There is an early repayment fee for our mortgages and the charge is specific to the product chosen.

Partial Payments

You can choose to make additional capital payments of up to 10% of the outstanding balance each year. The minimum additional payment you can make is £1,000 and there is an administration fee for each partial payment.

Upon application we will provide you with full details about each mortgage product.

How much will we lend?

The amount we are prepared to consider lending will depend on your individual circumstances and we will look at your income and outgoings to make sure it is affordable for you.

As a general rule we will consider:

Loan as a multiple of income

Sole Applicant	-	Up to 4.5 x annual gross salary
Joint Applicant	-	Up to 4.5 x 1st annual gross salary plus 1 x 2nd annual salary or 3.5 x joint salary

The most important factor is the affordability and this is of upmost importance in any sanction that we do not put you the borrower, at any risk.

Loan to Value (LTV)

'Loan to Value' is a financial term used to express the ratio of the loan (mortgage) to the value of the property that will be used as security for that loan.

Eg Mortgage £150,000 **divided by the** Property Value £200,000 = LTV of 75% The LTV will determine which mortgage product you can apply for.

Residential Mortgages

We will consider lending for purchases under the:

Shared ownership scheme - this is a scheme offered by Housing associations for people to buy a percentage of the property, usually starting from 25% shares. Many of these schemes operate in areas where property values are high such as in city locations and where income is low therefore helping those who would normally struggle to buy at the full property price. There are other costs involved in these schemes which need to be considered such as the rental amount for the percentage of the property still owned by the Housing association or builder.

Eg. Property is valued at £300,000. And you can purchase a 25% share costing £75,000. Therefore you will pay the remainder of the property (75%) still under the ownership of the Housing Association a monthly rental fee.

Right to Buy - The Right to Buy scheme helps eligible council and housing association tenants in England to buy their home with a discount of up to £104,900 (£78,600 outside London). From May 2015, the eligibility criteria was reduced from five years public sector tenancy to three. This means you now have to be a tenant for three years instead of five before you can apply to buy your home.

For the above schemes we would always take the first Legal charge over the property.

What type of borrower are you?

For First Time Buyers, we will consider lending up to 90% LTV.

For those looking to remortgage or move to another property, for borrowing of up to £250,000, we will consider lending up to 85% of the value of the property. Borrowing in excess of £250,000 will be considered on an individual basis.

Additional information to consider

Legal costs

You will need to employ the services of a solicitor or conveyancer to take care of the legal aspects of buying your home.

Deposit

You may have to provide a deposit on the purchase price of the property when you exchange contracts. We will ask for proof of this deposit at the time of your application to ensure you have the funds available.

For many first time buyers it is becoming more common for a family relative to help with the deposit. This can be in the way of a gift towards the deposit or in full, or as a loan. This is therefore known as a Gift/loan declaration and it is requirement that the person assisting with the deposit signs a declaration in the presence of a Solicitor. Full information will be given when this occurs.

Stamp duty

This is a tiered government tax based on the purchase price of the property and is set by the government. Your solicitor will advise you of the correct amount of duty payable, if any, in their completion statement that details all of the fees payable on your behalf.

Buildings & Contents insurance

Unpredictable weather patterns and the threat of burglary are just two reasons why it is important to protect your home and contents.

As a condition of all our mortgages we require you to have adequate buildings insurance to the figure detailed in the valuation and should be arranged as soon as the contracts have been exchanged. You will need to refer to your insurance policy for details of the level of cover provided.

Contents insurance cover is not a requirement for our mortgages but will be needed if you want to protect the contents of your home. There is a wide variety of cover available from most insurance companies.

Life assurance

It is important for you to have adequate life assurance to repay your borrowing should you die. This will ease the financial burden of mortgage repayments for your family at what would be a distressing time.

Income protection

This is not a requirement of our mortgaged, but you may feel it is needed for some employment that you wish to cover your monthly income should you become unemployed or sick.

For any insurances and protection scheme you would need to seek the advice from a reputable insurance company.

What's involved?

Less than you might think! At Reliance we are committed to making sure the process is straightforward and as hassle free as possible.

10 steps to a Reliance Bank mortgage . . .

1. How much can I borrow? - To find out how much we would consider lending, simply complete our mortgage application form and return it to us with your proof of your identification (as per our Proving your Identity brochure) and your last 3 months wage slips .

2. Your Agreement in Principle - Once we have completed all the relevant checks, we will provide you with an Illustration, detailing the costs of the mortgage product you have chosen, together with a letter, informing you, in principle, how much we could lend you.

Agreement in principle will be subject to:

- Assessment of the affordability
- A satisfactory valuation or assessment of the suitability of the property to be mortgaged
- The information you have supplied to us being correct.

3. On the move? - If you haven't found a property, then we can still provide an Agreement in Principle.

4. Property details - We need to know the details about the property you are looking to buy or remortgage.

5. Making an offer - If you are interested in a property, make an offer to the seller's estate agent. If it's accepted your offer will be 'subject to contract'. Some estate agents may ask for validation that you have a mortgage agreed.

6. Arranging a valuation - We require a standard mortgage valuation, and we will arrange this once we have received your acceptance to proceed with your mortgage application. If you require a Full Structural or Home Buyers Report on your property, you need to let us know and we will inform you of the additional costs.

7. Your Mortgage Offer - Once a satisfactory valuation is returned, we will then provide you with a Mortgage Offer, outlining the costs of your chosen mortgage product. If you wish to accept this we will require you to sign one copy and return this to us within one month.

8. Conveyancing - You need to appoint a solicitor/conveyancer, who will check the legal title and carry out relevant searches on your property.

9. Contracts are exchanged - Once your solicitor/conveyancer has completed all the necessary legal work, you'll be asked to sign a contract and the seller will sign an identical contract. This will facilitate an 'exchange of contracts'. You may be requested to pay a deposit through your solicitor, making this a legally binding transaction.

10. All done! - Now the contracts are exchanged, a completion date is agreed - and for those moving, this is the day the property becomes yours.

YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP PAYMENTS ON A MORTGAGE OR OTHER LOAN SECURED ON IT.

Data Protection Regulations

Please note that for any mortgage application, we will complete a credit search and will only lend to those with a clear credit history.

Your identification documents will be copied and saved securely on the Bank's systems whilst you remain a customer with us. Should you cease to be a customer of the Bank, this data will be securely archived at the time and will be destroyed six years from the date of closing your account(s).

Where copies of identification documents have been supplied to the Bank, but the account application does not result in the account being opened, this data will be securely destroyed after three months.

'So why bank with Reliance?'

Reliance bank has been providing friendly, efficient Christian banking services for over 125 years. In an age where financial insecurity and doubts plague people's minds, we offer ethical banking services to all our customer, personal, business and charity. We are proud to make regular donations to support the work of The Salvation Army which is active in the UK and over 100 countries worldwide. As well as its evangelical mission, The Salvation army has an extensive social Programme, worldwide, providing homeless centres, hospitals, schools, homes for children and the elderly, health and educational services

Reliance Bank Limited is a responsible lender, and will only sanction lending that is fit for purpose and has been assessed as being affordable for the borrower.

Our telephone lines are open from 8.30 am to 4.15 pm Monday to Thursday and 10.00 am to 4.15 pm on Friday. At other times, please leave your name and number on our messaging service and we will call you back as soon as we can, or alternatively, please send an email to info@reliancebankltd.com. All enquiries are treated in confidence.

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