

# **A straightforward guide to your mortgage with the Isle of Man branch**

# Mortgages from Santander International

This guide explains the important features of your mortgage or additional loan. If you have any questions or need any further help in relation to understanding your mortgage please call us or speak to our mortgage team.

Santander International is the registered business name of Santander Financial Services plc, acting through its Isle of Man Branch in relation to accounts located in the Isle of Man, and acting through its Jersey Branch in relation to accounts located in Jersey.

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All lending is subject to status and our lending criteria.

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

## Choosing a mortgage

We offer a range of mortgages to suit your needs whether you're buying your first home, moving home or remortgaging to us from another lender.

Below is a brief summary of the different types of mortgages we currently offer. If you already have a mortgage with Santander International your conditions may vary, so please refer to your mortgage paperwork.

	Fixed rate mortgages	Tracker rate mortgages
Tracks the Bank of England base rate	No	Yes
Fixed monthly payments	Yes	No
Initial rate period	From two years	From two years
Interest rate reverts to Follow-On Rate (FoR) after the initial rate period	Yes	Yes
Extra payments <sup>1</sup>	Yes Available once a quarter with a maximum of four capital payments in a calendar year	Yes Available once a quarter with a maximum of four capital payments in a calendar year
Early repayment charge <sup>2</sup>	Yes	No

<sup>1</sup> A minimum amount may apply. Please contact us for more information.

<sup>2</sup> If you choose to repay your fixed rate mortgage in full or overpay by more than 10% each calendar year, you'll need to pay an early repayment charge. Check your original mortgage paperwork if you already have a mortgage with us.

### Considerations

- **Do you want to pay the same amount each month?** A fixed rate mortgage gives you peace of mind that comes from knowing exactly what your payments will be each month during the fixed rate period.
- **Do you want your mortgage to track the Bank of England base rate?** A tracker rate mortgage tracks above the Bank of England base rate so your payments will increase or decrease in line with any changes.
- **Do you want to remortgage to us from another lender and borrow more money?** Is further borrowing from your existing lender, a second charge loan with a different lender or unsecured borrowing for the additional amount more appropriate?

## Repayment method

You can choose to repay the amount you borrow through a repayment or interest only mortgage, or a mixture of the two.

If you have a repayment mortgage, your monthly payment is made up of 'capital' (the amount you've borrowed) and interest. As long as you keep up with your payments your mortgage will be paid off when your mortgage term ends.

If you have an interest only mortgage, your monthly payment only pays the interest you owe. As you're only paying interest, you'll still have to repay the 'capital' (the amount you've borrowed) at the end of your mortgage term. Therefore you must make sure you have a way to pay this off when your mortgage ends. It's important that you check, on a yearly basis, that this arrangement is still on track to pay off your mortgage when your mortgage term ends. If at any point you think that you won't be able to repay the 'capital' at the end of your mortgage term, it's important that you contact us to find out what your options are regarding your mortgage and payment arrangements. The sooner you take action, the easier it will be to address any issues.

# Mortgage process

## 1 Arranging your mortgage

During your mortgage appointment, you'll be asked some important questions about you, your needs, your circumstances and your finances so we can complete a full assessment of your income and outgoings. This enables us to confirm how much we can lend to you and confirm that it's affordable.

We'll also find out what's important to you, take details of the property and your Advocate.

### Product fee

You have a choice of either paying the product fee upfront when you apply for your mortgage or you can choose to add the product fee to the mortgage. If you decide to add the product fee to the mortgage you'll pay interest on this over the term of the mortgage. You can however repay this fee within 14 days following completion of the mortgage without paying any interest on the product fee. Please contact us on 08000 84 28 88 if calling from a UK landline or mobile, or +44 (0)1624 641 888 if calling from overseas and we'll confirm the amount to be paid and give you the payment details that you should use to send the fee to us..

## 2 Advocates

There are legal costs involved in setting up your mortgage which vary according to the circumstances involved. We can let you know what Advocates are on our approved list. However, if you choose an Advocate who isn't on our approved list, we'll need to instruct another firm to act for us – this is called dual representation. If this is the case you'll be responsible for the legal costs of the Advocate you appoint, plus the legal costs for the firm we appoint. Applications where dual representation is used can often take longer than a standard application to go through to completion.

Please note that your mortgage offer will be withdrawn if:

- the information provided on your mortgage application is shown to be incorrect; or
- the Advocate can't provide an unqualified report or title for the property; or
- by completion, your mortgage offer has any outstanding conditions which need to be satisfied.

You are responsible for your legal costs for both purchase and remortgage applications, whether or not the mortgage completes.

## 3 Valuations

Once the mortgage application is completed we'll arrange for the property to be valued. The valuation is for our purposes, so we know the value of the property is adequate for the mortgage you need. Once the valuation is received we can make you a formal mortgage offer, meaning your mortgage has been approved.

**Please note: A mortgage valuation is not a survey. It does not advise you on the condition of the property in any detail. If you're buying a property we strongly advise you obtain a survey of the property so you're aware of its condition before you commit to the purchase. We can provide you with details of independent valuers who undertake the appropriate surveys. All costs for the survey are your responsibility.**

## Fees

Details of valuation fees are included in the tariff of mortgage charges. How much you pay depends on either the purchase price or the estimated value of the property.

Please note that, if the purchase price is concessionary or a reduced figure, the fee will be based on the valuation and not the price.

## Re-inspection

Sometimes we may retain part or all of a mortgage advance until work recommended by the valuer is completed. In a re-inspection, they'll check the work has been done but won't examine or comment on the standard of the work. You're responsible for making sure the work meets any relevant standards.

A re-inspection fee as set out in the tariff of mortgage charges is charged when one of the valuers has to make an additional visit to a property in order for us to release money we have retained.

## 4 Your formal mortgage offer

In your formal mortgage offer pack we'll send you:

- Offer Letter and Important Information
- Tariff of mortgage charges
- Account fee information
- Terms and Conditions

Once you've received a formal offer you then have a seven day 'period of reflection'. This is there to give you a chance to review the mortgage offer and check you still want to continue with it. Your Advocate will carry out all the required checks and searches on the property.

If, subsequently, information comes to light that would have an impact on our offer then we may revise or withdraw our offer.

## 5 Exchanging contracts

If you're moving home, when you're happy with the contract and you've signed it, your Advocate will 'exchange' your contract with the seller's Advocate – this is then legally binding. The Advocates will then agree a completion date.

At this point, you'll also need home insurance. Buildings insurance is a requirement of your mortgage and is essential to protect you against damage caused by things like fire and flooding. It's also advisable to protect your belongings with contents insurance.

## 6 Completion

If you're moving home, this is the day when money changes hands and you're able to pick up the keys and move in! A mortgage deed is lodged with the Land Registry.

If you're remortgaging to us from another lender, we'll arrange for the Advocate to complete the transfer from your existing lender to Santander International.

# The things you should know about your mortgage

## Tariff of mortgage charges

We'll provide you with an updated tariff of mortgage charges each year with your mortgage statement. You can also ask us for a copy at any time.

## Monthly payment

You must make a payment each month. The amount of your monthly payment will depend on how much you borrow, the interest rate applicable to your mortgage, the period of time in which you must repay the mortgage and whether you have a repayment or interest only mortgage. If you believe you may have difficulties in meeting a monthly payment at any time, please contact us so that we can see what we can do to help.

## Monthly payment date

You must pay your monthly payments on the payment date in every month. You can choose any date between the 1st and 28th of the month as your payment date. If you don't indicate a preferred date, your payment date will correspond to the day of the month when your mortgage was completed, unless you completed after the 28th, in which case your payment date will default to the 1st of the month.

Your payment date is then fixed for the duration of your mortgage, but in exceptional circumstances you may ask us to change your payment date. Please note that we normally require 14 days to process a change to the payment date and that we won't normally allow the interval between the last of the old payment dates and the first of the changed payment dates to be less than 14 days. The monthly payment which we collect on the first of the new payment dates will be larger or smaller than usual, depending on whether the change has caused the interval between the last of the old payment dates and the first of the changed payment dates to be longer or shorter than a month. From then on, the monthly payment should revert to the same amount as you were paying before the change in the payment date.

After completion, we'll send you some information which will include when your first payment should be made and how much it'll be.

## Fees and rate options

We offer the following fee and rate options so you can choose which one will suit you best:

- Standard Fees
- Fee Free
- Loyalty Rates

Full details of the options including the qualification criteria for the Loyalty Rate product range are included in the Isle of Man mortgage rates leaflet.

## Changes to interest rates – what happens if the interest rate changes

If your interest rate changes we'll write to you and inform you about the change and what it means to your monthly payments in the future. We'll give you notice of any change in payment amount.

## Joint borrowers

If there are two or more of you, your obligations under the mortgage are binding on all of you together and on each of you on your own. This means that each one of you is responsible for repaying the whole of the money owing under the mortgage.

## Your property

The property must be occupied as your main residence unless we've agreed otherwise in writing.

The property must be fully covered by buildings insurance from the point that you exchange contracts through to paying off your mortgage with us. You must not leave the property unoccupied for longer than the period specified in your insurance policy or you may not be able to make a claim on your buildings insurance policy. Please check the terms of your buildings insurance policy to see how long you're allowed to leave the property unoccupied.

You must not take in tenants or let the property or any part of the property without first obtaining our written permission.

## Early repayment charge

If your mortgage offer states an early repayment charge applies to your mortgage and you wish to repay the money you owe us during the period when the charge applies (which will be specified in your offer) the applicable early repayment charge will be payable. You'll also have to pay this charge in certain other circumstances which will be set out in your offer letter and the terms and conditions booklet.

Even where your mortgage offer states an early repayment charge applies, you may be able to overpay up to 10% each calendar year (January to December) without having to pay an early repayment charge. A minimum amount may apply. Please ask us for more information. You can't carry forward any unused element of the 10% concession into future years. You also can't take advantage of the 10% allowance if you're repaying all of the money you owe us upon the sale of your property. If you added your product fee to the mortgage, you can repay this within 14 days following completion, without affecting the 10% allowance.

## Redemption fees

If you tell us that you wish to repay the money you owe us and close your mortgage, a redemption administration fee is charged. The fees are set out in the tariff of mortgage charges.

## Things to consider in the future

We understand that from time to time you might need to change your mortgage to make sure it continues to meet your needs.

### Moving home

If you're moving home you have a couple of options available:

- Take your current deal with you to your new home in the Isle of Man – this is sometimes known as 'porting'. This could save you money if your interest rate is lower than other mortgage rates currently available, and you wouldn't have to pay any early repayment charge that may apply as long as you port the same amount. If you also want to borrow more, you can apply to take out a new deal from our current range. For most types of mortgage, you can port your existing mortgage as long as you complete on your new home within six months of paying off your existing mortgage.

If you don't complete on your new home on the same day you pay off your existing mortgage you'll have to pay an early repayment charge if one applies to your mortgage. However, if you complete on your new home within three months of paying off your existing mortgage we'll refund the early repayment charge. In future we may withdraw this offer. To get your refund you should call us on 08000 84 28 88 if calling from a UK landline or mobile, or +44 (0)1624 641 888 if calling from overseas once your new mortgage has completed.

If it takes longer than three months to complete on your new home, you won't be able to port your existing interest rate.

Mortgages held with our Isle of Man branch can only be ported to a property located in the Isle of Man.

- Choose a new deal for the total amount you want to borrow from our range of competitive deals. It could save you money if your existing rate is higher than our current mortgage rates. You won't pay an early repayment charge if you have less than six months left on your existing deal at the time you apply for a new mortgage for at least the same amount. In future we may withdraw this offer.

If you have more than six months left on your existing deal at the time you apply for a new mortgage, you'll need to pay the early repayment charge if one applies to your mortgage.

Restrictions may apply. A new mortgage on a different property will be subject to status and our lending criteria at the time of application. If you want to borrow less money, whether you port your existing deal or take a new deal, then you'll have to pay the early repayment charge on the amount you pay off if an early repayment charge applies to your existing mortgage.

### Borrowing more with an additional loan

To arrange an additional loan you'll need to book a mortgage appointment with us or request an application form which we can post out to you.

During your appointment, you'll be asked some important questions about you, your needs, your circumstances and your finances so we can complete a full assessment of your income and outgoings. This enables us to confirm how much we can lend to you and confirm that it's affordable.

You'll go through a full application which will include details of the deal you have chosen. This shows you the monthly payment and the different costs and fees associated with your additional loan.

Once you've signed and returned your application form along with all requested supporting documents we'll complete all the necessary checks. If we require the property to be re-valued this report will be for our use only and you won't be charged separately.

We'll then send you a formal offer which you'll need to sign and return as soon as possible. Once we've received your signed acceptance of the offer we'll usually release your money within three working days.

Once you've completed on your additional loan, we'll send you a letter confirming all the details, including your new mortgage payment.

### Mortgage deal coming to an end

If your current mortgage deal is coming to an end, or you're paying our Standard Variable Rate or Follow-on Rate, you can call our mortgage team who'll be happy to give you information on the options available to you.

Mortgage deals can be booked up to three months in advance. The process of changing to a new deal with us is simple. There are no new Direct Debits to set up, and with no legal or valuation fees, it could save you time and money, compared to moving your mortgage elsewhere. However, if you want your property to be revalued (for example to access a different loan to value product) then a revaluation fee would be incurred.

### Want to change something else on your mortgage?

If your circumstances have changed, you may wish to request a change to the way your mortgage is set up. This may include changing your repayment method, term of your mortgage or the people named on it. If you want to discuss this call our Mortgage Service Team on 08000 84 28 88 if calling from a UK landline or mobile, or +44 (0)1624 641 888 if calling from overseas – we'll carry out a full review of your circumstances to see how we can help.

## About our services

### Regulation

We are licensed by the Financial Services Authority of the Isle of Man and Santander Financial Services plc is regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

### Put simply

We are regulated within the Isle of Man and the UK.

### Non advice

You'll not receive advice or a recommendation from us. We may ask some questions to narrow down the selection of products that we'll provide details on. You'll then need to make your own choice about how to proceed. We only offer our own mortgages. There is no fee for our service.

### Put simply

We'll provide you with factual information so you can decide on which mortgage is right for you. We only offer our own mortgages and there's no fee for our service.

### Confidentiality and Data Protection

You will have been provided with a Data Protection Statement which explains how we may use and share your personal data and your rights under applicable data protection legislation. For more information, please refer to our 'Using my personal data' booklet which can be found on our website. If you have any questions at all, please contact us.

### Put simply

The information you give us is treated confidentially, in line with the applicable Data Protection legislation.

## Customer Service

### Making a complaint

We're sorry if we haven't provided you with the service you expect. By telling us about it we can put things right for you and make improvements. We want to sort things out for you as soon as we can. The easiest and quickest way is by talking to us about your concern.



Please call our complaints team on 08000 84 28 88 if calling from a UK landline or mobile, or +44 (0)1624 641 888 if calling from overseas.

Alternatively, you can contact us:



in writing to:  
Santander International  
PO Box 123  
19/21 Prospect Hill  
Douglas  
Isle of Man  
IM99 1ZZ



in person, by visiting our Douglas branch at the Santander Work Café, Market Hall, North Quay, Douglas, Isle of Man IM1 2BQ

More information on how we handle complaints is detailed on our website, [www.santanderinternational.co.uk](http://www.santanderinternational.co.uk).

If for any reason you're not happy with our decision, or it has been over 8 weeks since you first raised your concerns with us, you may be able to refer your complaint to the The Isle of Man Financial Services Ombudsman Scheme (FSOS). They act as an independent and impartial organisation which helps settle disputes between consumers and financial services businesses. Details of how to complain to them are available at [www.gov.im/about-the-government/statutory-boards/isle-of-man-office-of-fair-trading/financial-services-ombudsman-scheme/](http://www.gov.im/about-the-government/statutory-boards/isle-of-man-office-of-fair-trading/financial-services-ombudsman-scheme/)

## Direct Debit Guarantee

Your mortgage payments must be made by Direct Debit. Please read the Guarantee information below carefully.

- This Guarantee is offered by all banks and building societies that accept instructions to pay Direct Debits.
- If there are any changes to the amount, date or frequency of your Direct Debit, Santander will notify you ten working days in advance of your account being debited or as otherwise agreed.
- If you request Santander International to collect a payment, confirmation of the amount and date will be given to you at the time of the request.
- If an error is made in the payment of your Direct Debit by Santander International or your bank or building society you're entitled to a full and immediate refund of the amount paid from your bank or building society.
- If you receive a refund you aren't entitled to, you must pay it back when Santander asks you to.
- You can cancel a Direct Debit at any time by simply contacting your bank or building society. Written confirmation may be required. Please also notify us.

### Put Simply

You must pay your mortgage payments by Direct Debit. These are covered by the Direct Debit Guarantee.

## Your application and credit scoring

### How do we decide whether or not to accept an application?

When you apply, we'll ask your permission to approach a credit reference agency to see if it has any information about you.

Information you give us, for example your age, occupation, income, details about your business and so on, are all taken into consideration, together with information from credit reference agencies such as how well you've managed accounts with other organisations.

We do not discriminate on grounds of sex, race, colour, religion or disability. And won't decline you based on where you live either.

Your application is compared to groups of similar customers who applied to us in the past, making it a fair and objective process.

### What is a credit reference agency?

An independent company licensed by the UK Office of Fair Trading under the UK Consumer Credit Act 1974, to hold information on individuals.

The agency holds details about almost every adult in the UK, which includes facts concerning the customer's financial background.

The three main credit reference agencies we use are Experian, Equifax and TransUnion.

### What kinds of information do they provide?

The two kinds of information provided are:

#### Public information (including):

- Voters' Roll (Electoral Register).
- County Court Judgments and Scottish Decrees.
- Bankruptcies, Individual Voluntary arrangements, Administration Orders and Debt Relief Orders.

#### Private information (including):

- Details of existing credit or loan agreements.
- Records of any closed or settled credit agreements within the past six years.
- Details of any current or previous arrears – including arrangements to repay outstanding amounts.
- Details of any default, write-off or property repossession within the past six years.
- Records of any searches made by other loan/credit providers.
- Details of your income and affordability.

Credit reference agencies will keep your information for six years after the account is closed or settled.



### Could information from the credit reference agency be the only reason for declining my application?

Possibly, but if this is the case, we'll tell you. The information received from the credit reference agency is only one part of the decision-making process.

### Is the information from a credit reference agency always negative?

Not at all. Credit reference agencies only supply factual information. They do not state any opinion regarding a customer's creditworthiness and they do not make the decision as to whether or not to accept an application – we do. They also don't know the outcome of an application.

Obviously, our decision will be affected if we receive information showing you're in arrears etc. Similarly, we take evidence of County Court Judgments or other credit defaults very seriously.

We always try to be a responsible lender but we won't automatically decline an application just because there may have been some problems in maintaining past commitments.

On the other hand, information that you're managing your current commitments well will be seen favourably.

### What information do we supply?

We provide personal information on you and your place of residence, your income, and how you manage your account on a monthly basis.

What we supply is in accordance with applicable Data Protection legislation and the Data Protection Statement you are given when you apply or when you sign the formal agreement to be bound by the terms and conditions of the account.

If, unfortunately, it were necessary for us to take possession of your property, due to a breach of the terms and conditions of a mortgage or additional loan, we would disclose this default to a credit reference agency. Your name would be placed on the UK Finance Possessions Register and, as a result, be passed on to other lenders.

The UK credit industry has established an agreement for the purpose of regulating the sharing of credit account performance and related data on people which is called 'The Principles of Reciprocity' which we comply with.

Records remain on file at credit reference agencies for six years after they are closed.

### If my application is declined, are other lenders likely to do the same?

Not necessarily. Other companies may apply different criteria and use different methods of credit risk assessment.

The fact that we have asked a credit reference agency for information about you will be recorded by that agency which could be seen by other lenders, however it's unlikely that a single enquiry would cause problems.

### Can I check the information a credit reference agency has about me?

Yes. Under the applicable Data Protection legislation you may request details held about you by the credit reference agency. Simply send them a written request, stating all names that you have been known by (include full forename and other initials), your date of birth and the address(es) that you have lived at within the last six years.

We mainly use Experian Ltd, but we may also use Equifax Plc and TransUnion. You can contact each agency directly at:



**Experian Customer Support Centre,  
PO Box 9000, Nottingham NG80 7WF**



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



**0800 013 8888 or 0344 481 0800**



**Equifax Ltd, Customer Service Centre,  
PO Box 10036, Leicester LE3 4FS**



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



**0800 014 2955 or 0333 321 4043**



**TransUnion,  
Consumer Services Team, PO Box 491, Leeds LS3 1WZ**



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



**0330 024 7574**

If you believe that what you see isn't correct then you can contact the organisation that supplied the information and tell them what you believe is wrong and why. If, after investigation it's agreed that the information is not accurate, then it'll be changed.

Even if there is accurate information held which affects your ability to obtain credit, you have the right to put a 'notice of correction' on your credit file. This is your opportunity to make a statement, if you wish, to explain your version of events. Once this 'notice' has been placed, every lender who looks at your file must read the 'notice' before making any lending decision about you.

### Can I appeal against your decision?

Yes, if you think we've made a mistake, or you have further information to support your case.

Please contact your mortgage team to arrange for it to be reviewed. You'll be required to provide a detailed budget planner and three full months' bank statements.

### Note re: credit repair companies

Please be careful when dealing with companies which claim they can 'clean up' your credit history. You can do it yourself or with some expert help.

You can get free advice about Court Judgments, bankruptcy, defaulted accounts or other arrears, plus how to sort out your debts and how to apply for credit even if your past is not perfect.

### For more information or advice, contact:

- The Isle of Man Office of Fair Trading's debt counselling service on its dedicated confidential phone line **686510** or email **debt@gov.im**

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Santander International is able to provide this document in large print, Braille and audio CD. If you would like to receive this document in one of these formats, please contact us.

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