



DATA PROTECTION ACT 1998 - USE OF YOUR PERSONAL INFORMATION

As you may be aware, the UK is one of the most highly regulated financial centres in the world. This is to safeguard the interests of consumers and other persons purchasing and being advised about investments, insurance and other financial products and in use of their personal data. Against this backdrop, we are required to make certain regulatory and statutory declarations to you.

If instructed by you, we collect data during our initial and other meetings with you about you and your family. We will also be collecting data about you and your family from other persons. We collect the data through note taking and filling in of questionnaires about you and your family's circumstances.

We may make checks with credit rating agencies and Institutions with whom you have policies of insurance and investments and with your mortgage provider. The scope and extent of the gathering of information from third parties depends on what type of service you are taking from us.

The Financial Services Authority is responsible for ensuring that the advice we provide to you is compliant with the regulatory regime in the United Kingdom. Your data therefore may be passed to the FSA for regulatory and other purposes.

How is your information used?

Primarily, we use your data and data about your family's circumstances to provide advice to you and complete transactions on your behalf. We analyse and assess your data to maintain and develop our relationships with you.

Depending on the instructions we receive from you, we may pass your data to other professional advisers to enable us to provide advice most suited to your circumstances. Usually, this would be a referral to local accountants, solicitors, tax advisers and sometimes to specialist advisers in the financial and insurance industry where we do not feel we have appropriate expertise. We, and any third party specialist advisers to whom we introduce you, will, of course, pass your data to Institutions if you agree to purchase or amend policies and products as part of the sales and advice process.

We may pass your data to the Financial Services Authority so they can monitor the sales and advice process that we are obliged to use. This includes money laundering checks, compliance and regulatory reporting and fraud prevention. Copies of the files we create about you may be retained by the Financial Services Authority in order for them to investigate any concerns you or any appropriate authorities may have about the sales and advice we give to you.

Applicant's Name.....
Signature.....
Date.....

Park Gate (Mortgage & Protection) Limited will retain your data for a minimum of six years according to the statutory requirements for regulatory products.

You data is held in our office in computer-based and paper-based filing systems.

We will not process your information in countries that are outside the European Economic Area, although some product providers may. They will have to take steps to ensure the same level of protection for your personal information in other countries as in the European Economic Area.

New products

We would also like to be able to contact you so that we can further advise you of developments of new products that might be suited to you. We also might advise you of legal developments that might make it appropriate for us, or for third parties, to give you pro-active advice about the insurance and other financial products of which we are aware. We stress that your information would only be used in this way to help us to provide a pro-active service to you. As we all know, time is precious and none of us want to be bombarded with information that is simply not relevant or which we do not require. Please tick below or alternatively contact us at our usual address if you do not wish your information to be used in this way.

Your right to a copy of your personal data

Under the Data Protection Act you have a right, upon payment of a fee, currently £10, to obtain a copy of the personal information that we holds about you. If you believe that any information held is incorrect or incomplete, you should contact us at our usual address. Any information that is found to be incorrect or incomplete will be amended promptly. I confirm that we are at all times committed to making sure that, as you are a customer of ours and you will receive the best service and products available in the marketplace.

Permission to contact customers by telephone

We would like to contact you from time to time by telephone to discuss your mortgage arrangements. This will enable us to ensure your mortgage is suitable for you at all times, remind you when any special introductory rates you may have are due to end and to check you are happy with your mortgage. In order for us to do this, we need to obtain permission from you.

By signing this document you understand you are giving your permission for us to contact you by telephone when we deem necessary regarding your mortgage arrangements over the next 5 years.

Applicant's Name.....
Signature.....
Date.....



Mortgage Guide - What jargon should I know?

Our straightforward glossary provides guidance on some common words and phrases that you'll encounter when arranging your mortgage.

APR or Annual Percentage Rate

The Annual Percentage Rate (APR) is the yearly cost of your mortgage and includes interest, one-off fees plus on-going costs. The APR is the way you should compare the cost of different loans on a 'like-for-like' basis.

Benefit Period

This is the length of time that a discounted, fixed, or capped rate applies to a mortgage. For example, a mortgage with a two-year fixed rate would have a benefit period of two years.

Capital

Any sum of money that we may lend to you - ordinarily to purchase a property or on a remortgage transaction to repay another lender. Interest will be payable on capital from the date the funds are released by the Society.

Completion

The final stage of the conveyancing process after exchange of contracts, and when keys change hands (on a sale or purchase) and your mortgage with the Society is set up.

Completion Fee

This is a one-off fee payable towards the set up costs of some mortgages. It's not normally refundable, even if the mortgage does not complete.

Conveyancing

Conveyancing is the legal process necessary wherever property or land is bought or sold. This is most often carried out by solicitors or a licensed conveyancer on behalf of buyers and sellers.

Early Repayment Charge

Many products are offered with highly competitive incentives at the start of a mortgage term. Such products can only be offered on the assumption that you keep your mortgage with the Society for a fixed period of time. In such circumstances, although you are of course free to move house and/or remortgage at any time, an early repayment charge will be incurred if you repay (or in some cases, partly repay) the Capital within the Early Repayment Period.

Early Repayment Period

This is the period of time during which an Early Repayment Charge may be payable. If applicable to the product chosen, full details will be set out in any mortgage offer made by the Society.

Exchange of Contracts

This is the process where both parties formally agree to the sale/purchase of a property and set a completion date. Normally, this is arranged through a solicitor or licensed conveyancer.

Joint Tenancy / Tenants in Common

If you own your home as joint tenants then both of you own the whole of the property, so when one partner dies, the other automatically becomes the sole owner of the home. With tenants in common, you each own a share of the property, typically split half and half.

Key Facts Illustration (KFI)

The Financial Services Authority have designed a Key Facts Illustration to ensure that you receive consistent illustrations, with content shown the same way, from all mortgage lenders, allowing them to compare like with like.

You must have personalised product information, in the form of a KFI, at an early stage in the buying process, to ensure an easy comparison of different products. It also ensures you receive the information you need to decide whether to apply for a particular mortgage.

LTV or Loan to Value

Often referred to as LTV, Loan to Value is a percentage figure used to express the amount of the loan as a proportion of the property's value. Different mortgage products can have different maximum LTV's - meaning that the minimum amount of deposit required (when buying a new home) can vary from one type of product to the next.

Local Search

A request for information from the relevant local authority. This will include information on planning matters, maintenance of roads in the vicinity of a property. Local searches will usually be carried out by your legal representative and can take several weeks to complete.

Local Search Indemnity

Where no Local Search is made, usually on a remortgage transaction, an insurance policy can be put in place (usually for the benefit of both lender and borrower) to cover against any risks that may have been revealed by a local search.

Mortgage

A familiar term but still worth defining. A mortgage is a legal charge on property used to secure a loan. The mortgage will remain in place until Redemption.

Mortgage Advisor

A Mortgage Advisor is a mortgage specialist who will help you in arranging your mortgage. You can contact a Mortgage Advisor by calling 01489 580020.

Mortgage Term

This is simply the number of years and months over which it is anticipated a mortgage will remain in place.

Premium

The payment for an insurance or endowment policy, which can be made either by a single payment or by regular instalments.

Redemption

Repayment of a mortgage in full, including interest and costs.

References

The checks which a lender makes before making a formal mortgage offer. These might include asking your employer to confirm your income, as well contacting credit reference agencies.

Remortgage

This is the process of changing from one lender to another, moving your mortgage but not your home.

Standard Variable Rate

The Society's own base lending rate. Mortgages which start at concessionary rates will usually revert to the Standard Variable Rate after the benefits period.

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Mortgages Available

There are many different mortgages available, but they are generally split into the following categories:

Variable Rate

The interest rate charged varies according to the economy, so your monthly repayments can go up and down during the term of the mortgage. There are normally no penalties for repaying the mortgage early.

Fixed Rate

The interest rate charged is determined at outset for a set period of time. Your monthly repayment will not be affected by any changes in the interest rate during this time. This type of mortgage generally carries redemption penalties should you wish to repay your mortgage during and in some cases after the term of the fixed rate. After the fixed rate period, the interest rate reverts to the lender's standard variable rate.

Discounted Rate

A discount is agreed at the outset for a set period of time. This discount is applied to the interest rate charged during the term specified; therefore your monthly repayments will vary accordingly. This type of mortgage generally carries redemption penalties should you wish to repay your mortgage during and in some cases after the term of the discount. Therefore this rate can go up as well as down.

Capped Rate

A maximum interest rate (the Cap) to be charged in a specified period is set. The monthly payment will be adjusted only if the mortgage rate falls below this cap, at this stage the rate will reflect the normal mortgage rate charged. Should the rate go up again during the term of the Capped Rate the maximum you will pay is the rate set at outset. This type of mortgage generally carries redemption penalties should you wish to repay your mortgage during and in some cases after the Capped Rate term.

Flexible Rate

This is generally at a lower rate than the standard variable rate (SVR), in the region of 1% over the Bank Base Rate. A discount in the first 6 months is not uncommon. Most Flexible mortgage providers calculate interest on a daily basis as opposed to annual. There is usually a facility to overpay underpay and settle lump sums without penalty.

Offset Account

These accounts are becoming very popular. The way these accounts are designed is to link your mortgage account up with savings and loan accounts. You offset your savings against your mortgage account and interest is charged on the remaining mortgage amount. Interest is therefore not paid on the savings account. Monthly repayments can go up and down during the term of the mortgage. There are normally no penalties for repaying the mortgage early, although this will vary from lender to lender.

Insurance Associated with Mortgages

Life Cover - The lender may insist that all individuals involved in the loan take sufficient life cover to repay the whole mortgage, and it is vital that this cover is taken and kept in force throughout the mortgage term.

Accident and Sickness

To protect your mortgage payments in the event of long term illness, any income received from these arrangements may be taken into account by the DSS when they calculate your entitlement to income support benefits for mortgage payments.

Property Insurance

You are responsible for ensuring that an acceptable Property Insurance policy is affected and maintained to protect the lender and yourself in the event of a fire or other events. Some lenders may insist on their own block policy being used or assigning the policy to them.

Future Considerations

Interest Rates fluctuate according to market conditions. Any increase in interest rates may affect your monthly mortgage payment.

Unemployment

Periods of unemployment may affect your ability to meet your mortgage repayments, which will put your home at risk. These possibilities should therefore be considered when taking on mortgage commitments.

Property Values

Property prices fluctuate according to market conditions, and the value of your property may go down as well as up. In the future, this could mean that your mortgage loan exceeds its market value (known as negative equity).

Change in Personal Circumstances

In the event that your personal circumstances change, you are still responsible for maintaining your mortgage commitments. Changes can come about through relationship breakdown, redundancy, retirement, and loss of job or reduction in salary. In the event of a partner becoming pregnant, you should be aware of the impact that this may have on your monthly income. Any reduction in your monthly income, even if you are in receipt of your employer's or Statutory, maternity pay, may affect your ability to meet your monthly mortgage payment.

Property Values

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Loan Repayment

You are expected to meet the monthly mortgage payments and to ensure that, where necessary, you have and keep a satisfactory investment vehicle in place to repay the loan.

Repayment /Capital and Interest

Mortgages set up on this basis have interest and capital incorporated in every monthly payment. The mortgage amount reduces over the years so at the end of the specified term the mortgage has been repaid. During the early years of a repayment mortgage the majority of each monthly payment is allocated to pay the interest, therefore at this time a small amount of the capital is repaid.

Interest Only

Repayment of the interest only during the mortgage term. Therefore the mortgage balance does not reduce, but remains outstanding to be repaid at the end of the term.

Your monthly payments to the lender for this type of loan are less than with a repayment mortgage, but you must ensure that you are able to repay the full amount at the end of the term. To provide for repaying the capital at the end of the term most people take out an investment plan, such as an endowment or an ISA.

If Interest Only is the method of repayment taken it is essential you ensure a suitable investment product is in place to repay the mortgage loan at the end of the mortgage period, otherwise.