

# C&G Intermediary Mortgage Terms, Fees & Payments

**Effective from 20 January 2010**

Replaces all previous versions

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C&G mortgages are provided by Lloyds TSB Bank plc and administered by us. Cheltenham & Gloucester plc.  
Registered office: Barnett Way, Gloucester GL4 3RL. Registered in England and Wales No 2299428.

**C&G**  
for intermediaries

[cheltglos-intermediaries.co.uk](http://cheltglos-intermediaries.co.uk)

# About C&G mortgages

## General terms

- All new mortgages are arranged on daily interest
- No requirement to insure the property through us
- No requirement to take out a mortgage-related investment plan
- No higher lending charge
- If the applicant is aged 60 or over, or within five years of their planned retirement, only retirement income will be taken into account
- The applicant's mortgage term must end before they reach age 75
- If the applicant is aged 65 or over the LTV cannot exceed 75%
- If the applicant is aged 65 or over they cannot take additional borrowing for debt consolidation purposes.
- 80% LTV limit for new-build properties (defined as any property that was first occupied less than six months ago)

## Remortgaging

If your client is remortgaging they must have owned the property for at least six months by the time their new C&G mortgage deal is due to complete.

## Additional borrowing

- Additional borrowing is available exclusively for C&G and Lloyds TSB mortgage customers who want to borrow more
- Loans of £5,000 or more are available on the basis of any mortgage available at the time, unless otherwise stated. C&G Offset Mortgage is only available if the main mortgage is on Offset terms
- To avoid the complications of mixed FSA-regulated and non-regulated loans within a customer's mortgage, where an existing customer with a non-FSA regulated mortgage applies for new borrowing, an FSA-regulated loan will be issued to replace the existing borrowing at the same time as the new loan is arranged. There will be no extra charge and the mortgage account number will not change.

## Buy-to-let

- Customers must have no more than nine buy-to-let properties (including second homes) with a maximum buy-to-let portfolio of £3 million within the retail division of Lloyds Banking Group which includes Birmingham Midlands, Halifax, Bank of Scotland, Intelligent Finance, Lloyds TSB (including C&G), Lloyds TSB Scotland, Scottish Widows and Mortgage Business (TMB).

- The property is professionally managed by a reputable agent on a single assured shorthold tenancy
- The property is in good condition and not divided into separate units
- 65% LTV limit for new-build properties (defined as any property that was first occupied less than six months ago)
- Additional borrowing of less than £25,000 on buy-to-let properties can only be offered where the loan is for home improvements

### Income Requirements

For all buy-to-let applications the customer must have a minimum income before tax (excluding rental income) of:

- £35,000 (sole or joint) – for loans of £500k or less
- £50,000 (sole or joint) – for loans of more than £500k.

### Calculating affordability for a buy-to-let application

Affordability for a buy-to-let application is calculated by either:

- using the customer's income plus 50% of the expected rental income from the buy-to-let property or
- calculating that the expected rental income will cover the monthly mortgage payments (using the appropriate rate – see self-funding calculations) making the property self-funding.

### Self-funding calculations

- If the Loan to Value (LTV) of the buy-to-let property is less than or equal to 60%, the expected rent from the property must cover the mortgage payments using a notional 7.5% interest rate.
- If the LTV of the buy-to-let property is greater than 60%, the expected rent from the property must cover the mortgage payments using a notional 8% interest rate.

## Free legal work

- Free legal work is available for most standard remortgages, between £5,000 and £999,999, provided that the work is carried out by one of the firms of solicitors who are authorised to do free legal work for C&G remortgages.

The free legal work offer does not apply to buy-to-let mortgages unless otherwise stated.

For complex cases, a fixed-price service is available for transfers of equity, guarantor cases, if a deed of postponement is required and for purchasing a remaining share.

If the property is in Scotland or Northern Ireland, different arrangements apply – please ask for details by calling our product & policy line on 0845 6041206.



# Fees

# Valuation fees

## Application fee

- If your client is purchasing a property, moving their mortgage from another lender, or taking out additional borrowing they'll need to pay a £99 non-refundable application fee when you send us their mortgage application.
- This fee is valid for 12 months, so if your client's application doesn't go ahead for any reason, they can put in another application within 12 months and won't have to pay another application fee.
- An application fee is not applicable for existing C&G or Lloyds TSB mortgage customers switching products.

## Product fee

Your client may need to pay a non-refundable product fee when their mortgage starts. The amount of the product fee will depend on the deal they choose. Generally, the lower the initial interest rate, the higher the product fee will be and vice versa. On some C&G mortgages, your clients even have the option of paying a higher initial interest rate but no product fee.

Where a product fee is payable, it will be added to your clients mortgage. They can then pay it off if they want to, or leave it on their mortgage to spread the cost. If they pay off the product fee within 30 days of the start of their mortgage, no interest will be charged on it. If your client leaves it added to their mortgage, interest will be charged at the applicable interest rate. (If they are taking out additional borrowing or their mortgage is split across different deals, interest on the product fee will be charged at the same rate as on their main mortgage loan account.)

## Transfer of funds fee

- If your client is purchasing a property or moving their mortgage from another lender, or is an existing C&G or Lloyds TSB mortgage customer borrowing more, they will need to pay a non-refundable fee of £35 for the transfer of money when the mortgage starts. The fee will be added to your client's mortgage and interest will be charged at the rate of their main loan.

A valuation fee is payable on all buy-to-let mortgage applications (purchases and remortgages) unless otherwise stated, to all other mortgages for property purchases [of whatever amount] and to remortgages where the amount of the mortgage is more than £500,000.

Property value	Standard valuation fee	Buy-to-let valuation fee
Up to £25,000	£225	£275
From £25,001 to £50,000	£250	£300
From £50,001 to £100,000	£275	£325
From £100,001 to £150,000	£300	£350
From £150,001 to £200,000	£350	£400
From £200,001 to £250,000	£400	£450
From £250,001 to £350,000	£450	£525
From £350,001 to £450,000	£525	£600
From £450,001 to £550,000	£600	£700
From £550,001 to £650,000	£650	£750
From £650,001 to £750,000	£700	£800
From £750,001 to £850,000	£750	£850
From £850,001 to £1,000,000	£800	£900
From £1,000,001 to £1,250,000	£900	£1,000
From £1,250,001 to £1,500,000	£1,050	£1,150
From £1,500,001 to £1,750,000	£1,150	£1,250
From £1,750,001 to £2,000,000	£1,250	£1,350
From £2,000,001 to £2,250,000	£1,350	£1,450
From £2,250,001 to £2,500,000	£1,450	£1,600
From £2,500,001 to £2,750,000	£1,550	£1,700
From £2,750,001 to £3,000,000	£1,650	£1,800
From £3,000,001 to £3,250,000	£1,750	£1,900
From £3,250,001 to £3,500,000	£1,850	£2,050
From £3,500,001 to £3,750,000	£1,950	£2,150
From £3,750,001 to £4,000,000	£2,050	£2,250

If your client's property has an estimated value of more than £4 million, please contact your Business Development Manager for details of the valuation fee your client will need to pay.

# Early Repayment Charges

- If your client repays the loan in full or switches to another C&G mortgage during an Early Repayment Charge period, they will have to pay an Early Repayment Charge. The charge will be a percentage of the amount repaid or switched as shown in the product tables.
- If they make a part repayment, there will be no charge if the amount repaid is less than 10% of the loan's capital balance (as at 1 January) in any year. For larger capital repayments, the charge will apply only to the amount above 10%. Should your clients make a 10% repayment and then go on to repay the whole mortgage within 6 months, the ERC will also be payable on the 10% repayment.

## Moving home

If the loan is redeemed to take out a new C&G mortgage to move home, and the original loan ends and the new loan starts on the same day, the charge will not apply provided that any remaining part of the original loan's Early Repayment Charge period and, where appropriate, any remaining part of its product rate are transferred to the new loan.

If the new loan is for a smaller amount, the customer must pay part of the Early Repayment Charge based on the difference between the two loans.

If the new loan does not start on the same day that the original loan is redeemed, the Early Repayment Charge must be paid, but there are circumstances when it will be refunded. These are:

- 1 If the loan that's being redeemed started before 1 November 2008 – then the Early Repayment Charge will be refunded provided that the new loan starts within 12 months of the original loan being redeemed. However, for loans that started before 1 November 2008 only, if there are less than 12 months of the Early Repayment Charge period remaining and porting the same amount or greater, the Early Repayment Charge will be waived.
- 2 If the loan that's being redeemed started on or after 1 November 2008 – then the Early Repayment Charge will be refunded if the new loan starts within eight weeks of the original loan being redeemed.

# C&G Intermediary payments

Intermediary payments are made weekly on Wednesdays for all qualifying cases which completed between the previous Wednesday and the preceding Tuesday. Payments are made by BACS to the bank account nominated on the Intermediary Agreement. Please allow three working days for payments to clear.

<b>Payments for key account business including mortgage clubs</b>		<b>Standard payments</b>	
Minimum payment £175 on loans over and including £25,000 for house purchases, remortgages and further borrowing.		Minimum payment £150 on loans over and including £25,000 for house purchases, remortgages and further borrowing.	
Mainstream products	0.35%	Mainstream products	0.30%
5, 7 and 10 year Fixed Rates	0.40%	5, 7 and 10 year Fixed Rates	0.35%
Buy-to-Let Mortgages	0.50%	Buy-to-Let Mortgages	0.50%

**For loans between £5,000 and £24,999 no proc fee is payable.**