

EQUITY LOAN - REPAYING YOUR SHARED EQUITY LOAN

Use this guidance if you wish to repay all amounts outstanding on your Equity Loan.

What do you need to do?

First Steps

1. Agree the current market value* of your property to establish how much you need to pay.

- Please provide an estate agent's valuation of your property which includes the value of 3 comparable properties to support what you believe the current market value is.

The estate agent must be independent and must not be related to you.

**The value should be the price a willing buyer will pay to a willing seller on the open market with vacant possession on the basis that you have fully and properly maintained, repaired and decorated the property.*

2. Complete Form A attached and send to us with the estate agent's valuation above.

The estate agent's letter must be on their letter headed paper stating a single valuation amount only (i.e. not a range of values).

3. Agreeing your valuation

- If we agree with your valuation, we will send a redemption figure to you and your Solicitor which will include:
 - A legal transaction fee of £250 including VAT.
- If the valuation is disputed and we cannot reach agreement on the current market value of your property, we are entitled to follow the procedure set out in your Equity Loan documents. This may include:
 - Obtaining at your expense three independent valuations of your property to establish an independent market value.

4. If you are selling your property, ask your Solicitor to complete Form B attached and send to us when a sale is agreed

5. Redemption of your Equity Loan

- When your repayment is received we will send a Land Registry Form DS1 to your solicitors as evidence that your Equity Loan has been repaid in full.

IMPORTANT

There must be sufficient funds available to repay your Equity Loan in full.

Full Redemption - example

| | |
|--|-----------------|
| Original Value of Property when purchased | £100,000 |
| Funded by: | £ |
| Customer (eg first charge mortgage, deposit) - 80% | 80,000 |
| Shared Equity Loan - based on Equity Loan Percentage 20% | 20,000 |
| Original Value of Property when purchased | <u>£100,000</u> |

Redemption Amount

| | Current Market Value of your property | | |
|--|--|--|--|
| | 15% increase in Market Value of your property | No change from Original Value | 15% decrease in Market Value of your property |
| | £115,000 | £100,000 | £85,000 |
| Current value of Equity Loan (Equity Loan 20%) | £23,000 | £20,000 | £17,000 |

6. Source of Funds - Additional Documentation Required

Please note that we are subject to strict controls under the Money Laundering Regulations 2007 and the Proceeds of Crime Act 2002 and are legally obliged to undertake checks to verify the source of funds to be used for the purchase/sale of your property.

If you have not appointed Solicitors to act on your behalf, and it is your intention to forward payment directly to us, you will need to confirm the specific source of these funds and provide appropriate documentary evidence in support.

To assist you, we have detailed some examples of the type of source of funds and the documents we require on the following page.

| Source | Details required | Documentary evidence required |
|--|---|---|
| Income and/or savings from employment | <ul style="list-style-type: none"> Yearly salary/bonus Employers name/address Nature of business | One of the following: <ul style="list-style-type: none"> Last three months bank statements, clearly showing receipt of regular salary payments from employer Last three months' payslips Letter from employer confirming salary Copy of recent financial accounts (if self-employed) |
| Sale of property | <ul style="list-style-type: none"> Address of property Date of sale Sale amount | One of the following: <ul style="list-style-type: none"> Copy of sale contract Letter from solicitor, accountant or estate agent confirming sale and proceeds received |
| Income and/or savings from pension annuity | <ul style="list-style-type: none"> Yearly annuity income Details of any lump sums Name of provider | One of the following: <ul style="list-style-type: none"> Last three months bank statements, clearly showing receipt of regular payments from pension provider Copy of most recent pension/annuity statement Letter from pension provider confirming annuity and/or lump sum details |
| Sale of investments | <ul style="list-style-type: none"> Description of investment Sale amount Date funds received | One of the following: <ul style="list-style-type: none"> Bank statement clearly showing receipt of funds and investment company name Investment/savings certificates, contract notes or surrender statements Letter from an accountant detailing receipt of funds |
| Company sale | <ul style="list-style-type: none"> Name/nature of company Date of sale Total amount Clients share | One of the following: <ul style="list-style-type: none"> Letter from solicitor or accountant detailing sale of company Copy of sale contract |
| Inheritance | <ul style="list-style-type: none"> Name of the deceased Date of death Relationship to client Date received Total amount | One of the following: <ul style="list-style-type: none"> Grant of probate with a copy of the will (which must include the value of the estate) Letter from solicitor or estate trustees detailing inheritance and value of estate |
| Company profits | <ul style="list-style-type: none"> Company name/address Nature of company Amount of annual profit | One of the following: <ul style="list-style-type: none"> Copy of latest audited financial accounts Letter from accountant confirming nature of business and turnover |
| Maturity/surrender of investments | <ul style="list-style-type: none"> Description of investment Policy provider Amount received Date of maturity/surrender | One of the following: <ul style="list-style-type: none"> Closing statement Letter confirming maturity/surrender from the investment company |
| Dividend payments | <ul style="list-style-type: none"> Date dividend received Total amount Name of company paying dividend | One of following: <ul style="list-style-type: none"> Dividend contract note Bank statement clearly showing receipt of funds and name of company paying dividend If the dividend is from own company, one of the following: <ul style="list-style-type: none"> Company accounts showing dividend details Letter detailing dividend details signed by a regulated accountant on letter-headed paper |
| Gift | <ul style="list-style-type: none"> Date received Total amount Donor/Client relationship Letter from donor Identification documents from donor Donors source of wealth | <ul style="list-style-type: none"> A declaration letter from the donor confirming full details of the gift and documentary evidence of their source of wealth |

If you are unable to provide these documents, please contact us as soon as possible so that we can discuss alternative options with you. Please note, we require original or certified copies of these documents.

The required information can either be emailed to us directly if certified or sent in the post. We will return all original documents back via Royal Mail Recorded Delivery.

We apologise if this seems intrusive, however, this information is required in order for our firm to comply with legal obligations, therefore if it is not provided your matter may be delayed or we may be unable to redeem your account.

Form A

Please send this form to us if you decide to sell your home or repay without selling

| Derwent Shared Equity Notice of Intention to Sell or Repay In Full | |
|--|---|
| Your Name: | |
| Your Address: | |
| Telephone: | |
| Mobile Phone: | |
| Email Address: | |
| Solicitor Fax: | |
| Property Address: | |
| Property Postcode: | |
| Your Estate Agent's name: | |
| Your Estate Agent's address: | |
| Please attach a copy of a letter from your estate agent stating the market value of your home to be used in transaction: | Value £ <input type="checkbox"/> Attached Date of valuation |
| What is the estimated amount outstanding on your first mortgage? | |
| Are you selling or repaying without selling? | |
| Customer Signature: | |
| Date: | |

Please send the completed form to:

Ascent
One St Peter's Square
Manchester
M2 3AF

E: contact@ascent.co.uk

T: 0333 010 0067 Monday – Friday 9am-5pm

Form B

This Form must be sent to us by your Solicitor fully completed once a sale is agreed and at least three weeks before exchange of contracts.

| Derwent Shared Equity Request to Agree Price and Redemption Figure Request Form | |
|---|--|
| Solicitor's Name: | |
| Solicitor Address: | |
| Solicitor Reference: | |
| Solicitor Telephone: | |
| Solicitor Fax: | |
| Solicitor Email: | |
| Borrower(s) Full names: | |
| Property Address: | |
| Property Postcode: | |
| Date of Second Charge: | |
| Sale Price of Property (if applicable): | |
| Estimated amount outstanding on First Charge mortgage: | |
| Is the Buyer related or connected to the Seller? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Estimated Exchange Date: | |
| Estimated Completion Date: | |
| Please attach a copy of the Estate Agent's Particulars for the sale: | <input type="checkbox"/> Attached |
| Please attach a copy of draft contract for the sale: | <input type="checkbox"/> Attached |


The agreed market value will be used to settle this account irrespective of eventual Sale Price of your property listed above.

Please send the completed form to:

Ascent
One St Peter's Square
Manchester
M2 3AF

E: contact@ascent.co.uk

T: 0333 010 0067 Monday – Friday 9am-5pm

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 www.ascent.co.uk/derwent

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