

# EQUITY LOAN - PARTIAL REDEMPTION

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**Use this guidance if you wish to repay part of your Equity Loan.**

*What do you need to do?*

## **First Steps**

### **1. Agree the current market value\* of your property to establish the Equity Share percentage you are repaying.**

- 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 to be.

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 C attached and send it to us with the estate agents 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; and
  - Any outstanding interest (if applicable) due on your Equity Loan
- If the valuation is disputed and we cannot reach agreement on the current market value of your property, you are entitled to follow the procedure set out in your Equity Loan document. This may include:
  - Obtaining, at your expense, a Royal Institute of Chartered Surveyors (RICS) valuation of your property to establish an independent market value which is binding on both parties.

### **4. Partial Redemption of your loan**

- We will liaise with your Solicitor after this point with details of how to make this payment.
- Additional Borrowing – if you are making a partial redemption of your Equity Loan and funding this by taking out additional borrowing with your mortgage lender, please see the fact sheet on *Equity Loan Additional Borrowing* before you start this process.

Your Equity Loan Percentage will be re-calculated to reflect your partial redemption payment.

## Partial Redemption - example

Your minimum payment should be at least 5% of the current market value of your property - each time you wish to partially repay your Equity Loan you must agree the Current Market value of your property with us at your cost.

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

	15% increase in market value of your	No change from Original Value	15% decrease in market value of your
Current Market Value (to be agreed with us)	<u>£115,000</u>	<u>£100,000</u>	<u>£85,000</u>
Current value of Equity Loan (Equity Loan Percentage 20%)	£23,000	£20,000	£17,000
<u>Minimum amount that can be paid to partially repay your Equity Loan</u>	<u>(5,750)</u>	<u>(5,000)</u>	<u>(4,250)</u>
Equity Loan still outstanding	<u><u>£17,250</u></u>	<u><u>£15,000</u></u>	<u><u>£12,750</u></u>

<b>Amended Equity Loan Percentage *</b>	<b>15.00%</b>	<b>15.00%</b>	<b>15.00%</b>
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\* Amended Equity Loan Percentage will be applied to the current market value of your property in order to calculate the Equity Loan balance you need to repay in full or to make further partial repayments

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

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 C

Please send this form to us if you wish to pay off part of your Equity Loan


Thirlmere Shared Equity Notice of Intention to Partially Redeem	
Your Name:	
Your Address:	
Telephone:	
Mobile Phone:	
Email Address:	
Property Address:	
Property Postcode:	
Your independent estate agent's name:	
Your independent estate agent's address:	
Please attach a copy of a letter from your estate agent stating the market value of your home:	<input type="checkbox"/> Attached
What percentage of the current market value do you want to redeem?	
Your Solicitor's Name:	
Solicitor Address:	
Solicitor Reference:	
Solicitor Telephone:	
Solicitor Fax:	
Solicitor Email:	

Please send the completed form to:

Ascent  
One St Peter's Square  
Manchester  
M2 3AF

E: [contact@ascent.co.uk](mailto:contact@ascent.co.uk)

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

 0333 010 0067

 [www.ascent.co.uk/thirlmere](http://www.ascent.co.uk/thirlmere)

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