

Key Customer Information

This information leaflet has been designed to explain how your loan will work and to answer some of the questions most frequently asked by customers. It highlights some of the key features of your loan and also the risks involved of taking out a loan secured against your property. You can find further information on our website at www.clearlyloans.co.uk

Who regulates Clearly Loans Limited?

We are regulated by the Financial Conduct Authority and are authorised to provide mortgages and second mortgages.

What should I expect from my broker?

You may have been introduced to us by a broker, also known as a mortgage or credit intermediary. Your broker is responsible for explaining the key features of the loan to you and where he offers advice, he must take reasonable steps to ensure that the mortgage will be suitable for you.

He will be responsible for giving to you a Mortgage Illustration which will be personalised for you and be based on information that you have provided about your requirements. The Mortgage Illustration includes information about how much you want to borrow and what it will cost you. It enables you to shop around if you want to contact other lenders or brokers in order to compare products.

The broker will then package your loan application documents and forward them on to us so that we may then consider your application. The broker may receive a commission from us in return for his efforts the details of which will be set out in the Mortgage Illustration.

Your broker may also charge you a fee for his services. He should let you know the amount of the fee at the outset and discuss with you how this is to be paid. If you agree to the fee being added to the loan, then he should explain the implications of this including the fact that interest will be charged on this amount.

We expect the highest standards of professionalism and service from brokers. If you experience anything less than this please tell us immediately.

What is a Binding Mortgage Offer?

If we approve your loan application and have completed all of our enquiries, we will issue you with a mortgage offer. You will have a period of reflection to consider this of at least seven days and if you accept the offer you should then sign and return it to us together with any other documents we will send to you, such as the mortgage deed. When we issue you with an offer then we are obliged to make the loan to you except where there have been some material changes, for example in respect of your financial circumstances or in respect of the property taken as security.

The mortgage offer contains the detailed terms and conditions and describes the terms upon which we are prepared to make a loan to you. In particular it describes:

- The amount we are lending to you
- The costs charged by us and any broker fee
- The monthly payments
- The period of the loan
- The interest rate and the Annual Percentage Rate of Charge (APRC)

Please check carefully that these details are what you have agreed with us.

Please turn over

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What is a Mortgage Deed?

Your Mortgage Deed (or Standard Security if the property is in Scotland) describes the terms upon which the loan we are offering will be secured on your home. Once you have signed this, we will send it to the land registry for the charge over your property to be registered.

What is debt consolidation?

Debt consolidation is where a customer takes out a loan or regulated mortgage contract in order to pay off two or more existing debts, such as amounts owing for credit cards or other bills. If you are considering a debt consolidation loan you should recognise that if you are repaying your new loan over a longer period then you may pay more for the loan overall in interest charges. In addition, as this will be a second mortgage then you also put your home at risk if you do not keep up the repayments. You also need to be sure that debt consolidation meets all your objectives and that it is the right solution for you. If you have more serious financial problems then a better solution might be to seek debt advice from a free independent debt charity such as Stepchange, Citizens Advice or seeking help from the Money Advice Service.

Where we make a debt consolidation loan where you have agreed to pay off specific debts, then will often arrange to repay those debts direct.

Will my interest rate change?

The interest rate charged is variable which means it can go up or down and therefore increase or decrease the monthly payment due to us. Where we offer a mortgage where the rate is fixed for a short period, then any variation cannot take effect until after the end of that period. We try to avoid changing the interest rate because we know how important it is for you to know how much you have to pay each month. If we do decide to change the rates we will give you at least fourteen days notice in writing before the change takes effect. The main reason we would increase interest rates, although not the only reason, is if there was to be an increase in the costs of our funds or interest rates generally. We may also have to increase rates if there was a significant increase in our cost of doing business.

The Mortgage Illustration that your broker will provide you with will include an illustration of what your repayments could change to if there was a variation in the interest rate. The legislation requires us to provide an illustration based on the highest Bank of England Base Rate over the past 20 years.

Will there be any fees charged to me?

We will charge a Lender Fee to cover the legal and administration costs of setting up your loan. This will be shown in your Mortgage Illustration and also the Binding Mortgage Offer. As explained earlier, your broker may also charge you a fee.

There may also be fees charged to you during your agreement, if for example you require any account services or you incur default charges. These fees are detailed in the tariff of charges that is sent with your Offer.

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When will I start paying for my loan?

Payments usually start roughly one month after your loan completes. We can take payments on the 1st, 8th, 15th or 22nd of the month. The payment due date will be the same date each month until the end of the loan, unless you repay it earlier. This means that, for example, if your loan completes on the 14th June your first payment will be due on the 15th July and your second payment the 15th August and so on. You may change your payment date at any time by giving us 14 days notice in writing. We will make the change in consultation with you at the earliest opportunity. We will not change the payment date unless requested by you.

How do I make payments?

You should make payments by direct debit, as this will make collection easier.

What if I change my mind after I have signed?

You can withdraw from the offer at any time up until we have sent the funds. If you decide to withdraw then you should check whether any fees you have paid to any third party will be refunded. Once we have sent the funds and your loan has been completed you cannot then change your mind.

Can I afford the repayments?

You need to be sure you can afford the monthly repayments due under your loan, both now and throughout the term of the loan. You should consider whether you can foresee any change in your financial situation in the future and how you would afford the repayments if there was to be any increase in interest rates. You will be required to complete our income and expenditure form, setting out your financial situation and it is important that this is completed accurately and fully. If you have any doubts as to whether you can afford the repayments then you should not take out the loan.

What if I have difficulties in making payments?

If you experience problems or anticipate problems making payments you should contact us immediately and we will do our best to help you. We will also provide you with details of free debt advice agencies who can offer support. If you do miss any payments, the additional administration costs incurred by us will be added to your account. They are explained in full on our tariff of charges. If you continue to miss payments and we are unable to resolve the situation satisfactorily, as a last resort we will instruct our solicitors to commence proceedings to repossess your property. Any costs charged to us by our solicitors will also be charged to you. Missed payments are also recorded at credit reference agencies, so this could affect your ability to obtain further credit in the future.

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Can I settle my loan early?

Yes, you can settle the agreement in full or in part at any time. You will then only be charged interest up until the date you settle the loan. If you repay your loan in full then you will have to pay an early settlement charge. This is detailed in the Mortgage Illustration and Mortgage Offer.

What do I do if I have a complaint?

Clearly Loans is committed to providing you with the best service possible. However, there may be occasions when things go wrong and our service falls short of your expectations. In such cases, please let us know straight away so we can try to put things right. If you have a complaint, then we will let you know about our complaints handling policy. If we are unable to resolve your complaint to your satisfaction, then you have the right to escalate your complaint to the Financial Ombudsman Service.

Finally

If you are unsure about anything contained in this leaflet or in your loan documents, we strongly recommend that you contact us or your broker for further information. You may also wish to consider taking independent legal advice before you sign the Mortgage Offer and Mortgage Deed.