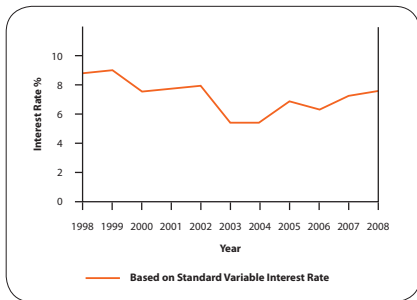


# Mortgage schemes explained

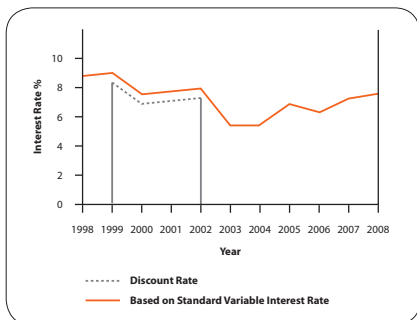


## Standard Variable Rate

- \* You always pay the lender's current rate – no hidden extra charges
- \* You may benefit from rate reductions if lender reduces rates
- \* You are unlikely to have any arrangement fees or early repayment charges

### but

- \* You may find budgeting difficult
- \* You are not protected from rate increases

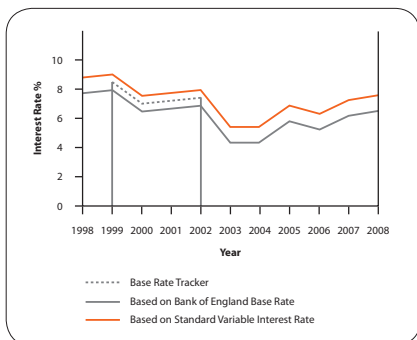


## Discount\*

- \* Offers a true saving on lender's Standard Variable Rate – no hidden extra charges
- \* You may benefit from rate reductions if lender reduces rates

### but

- \* You may have to pay an arrangement fee
- \* You may have early repayment charges
- \* You may find budgeting difficult
- \* You are not protected from rate increases

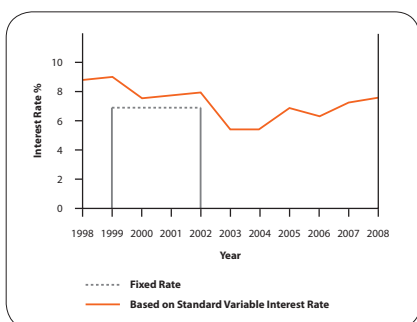


## Base Rate Tracker\*

- \* Rate charged will be certain percentage above or below the Bank of England Base Rate, for a specified period of time
- \* Payments more accurately reflect underlying interest rates of the time
- \* You may benefit from immediate rate reductions if Bank of England reduces rates

### but

- \* You may have to pay an arrangement fee
- \* You may have early repayment charges
- \* You may find budgeting difficult
- \* You are not protected from rate increases
- \* Immediately follows base rate increases

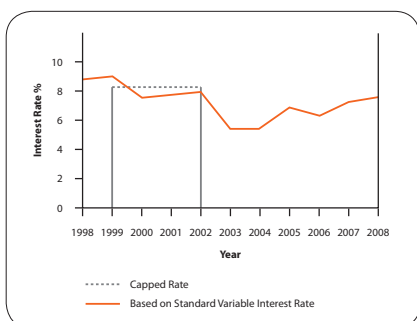


## Fixed\*

- \* Helps you budget – exact cost known
- \* You are protected from rate increases (during fixed period)

### but

- \* You may have to pay an arrangement fee
- \* You have early repayment charges
- \* You will not benefit from rate reductions (during fixed period)



## Capped\*

- \* Helps you budget – maximum cost known
- \* You may benefit from rate reductions below capped rate

### but

- \* You may have to pay an arrangement fee
- \* You may have early repayment charges
- \* Usually higher rate of interest than a comparable fixed rate

\* Payment shock may apply (an increase in the payment on an adjustable rate mortgage that may surprise the borrower at the end of an incentive period).