



Complete®

Your specialist packager distributor

Applying for a Second Charge Loan

Your 5 step guide

Some important stuff before we get started!

Being realistic about how long it will take to get the loan

Mortgage Second Charge Loans are not instant! There are a number of lender requirements to satisfy which can mean a lot of information to collect before a lender can release funds.

Every application is unique and a typical time frame to completion is 4-10 weeks.

The fastest completions are achieved when the 4 golden rules in Step 1 are followed AND full and accurate information is provided on the application form.

Have your paperwork ready

The Lender's requirements can vary depending on the application. However, as a general rule, please be prepared to supply:

- A certified copy of a driving license or passport
- Proof of address by way of a recent utility bill
- The last 3 months' payslips for employed
- The most recent Tax calculation and overview for self-employed



Step 1 Before applying - The Four Golden Rules

4 Golden Rules

for faster Second Charge Loans

1 Have you checked that the current mortgage lender will grant consent to a second charge?

TIP - Always contact the existing mortgage lender to confirm if they will grant consent to a second charge loan. Knowing this upfront will save time and money.

2 Have you been realistic about the estimated value of the property?

TIP - There are numerous websites that provide information on property prices such as Zoopla and Rightmove. Over estimates will be corrected by valuers and can result in wasted valuation fees.

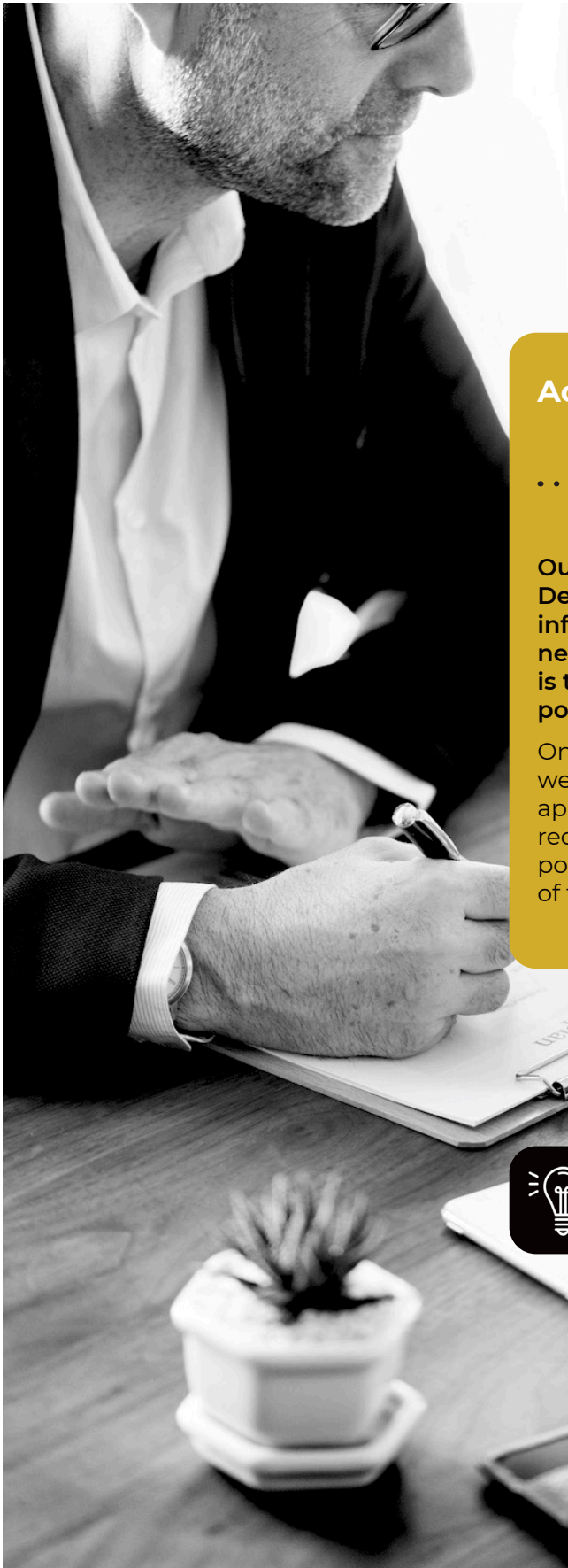
3 Have you obtained a credit report?

TIP - Obtain a credit report as soon as possible. Second charge applications sometimes fail because of undeclared credit or underestimated credit balances.

4 Can you provide debt consolidation documentation?

TIP - Lenders ALWAYS require the very latest statements when clearing credit. For example, if an up-to-date statement is provided with the initial application, but the loan doesn't complete until the following month, the next statement will be required.

Step 2 Applying for the loan



Accuracy matters

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Our Second Charge team will obtain a lender Decision in Principle (DiP) based on the initial information supplied. All of this information will need to be verified prior to a formal offer and it is therefore important for it to be as accurate as possible.

Once the lender has approved the loan in principle, we will ask you to supply a fully completed application form and provide you with a list of requirements, we call this a "shopping list". At this point, we will also provide a secure link for payment of the application fee and valuation fee if applicable.



Tip: Inaccurate information causes delays.

Step 3 Supplying information and paying fees



On receipt of the fully completed application form and fees, we will write to the existing mortgage lender to request their formal consent to a second charge.



TIP: Response times from lenders vary greatly. Some lenders respond within days whilst others can take weeks. It is often a good idea for applicants to call their own lender and ask for an urgent response.

If a property valuation is required, this will be instructed.



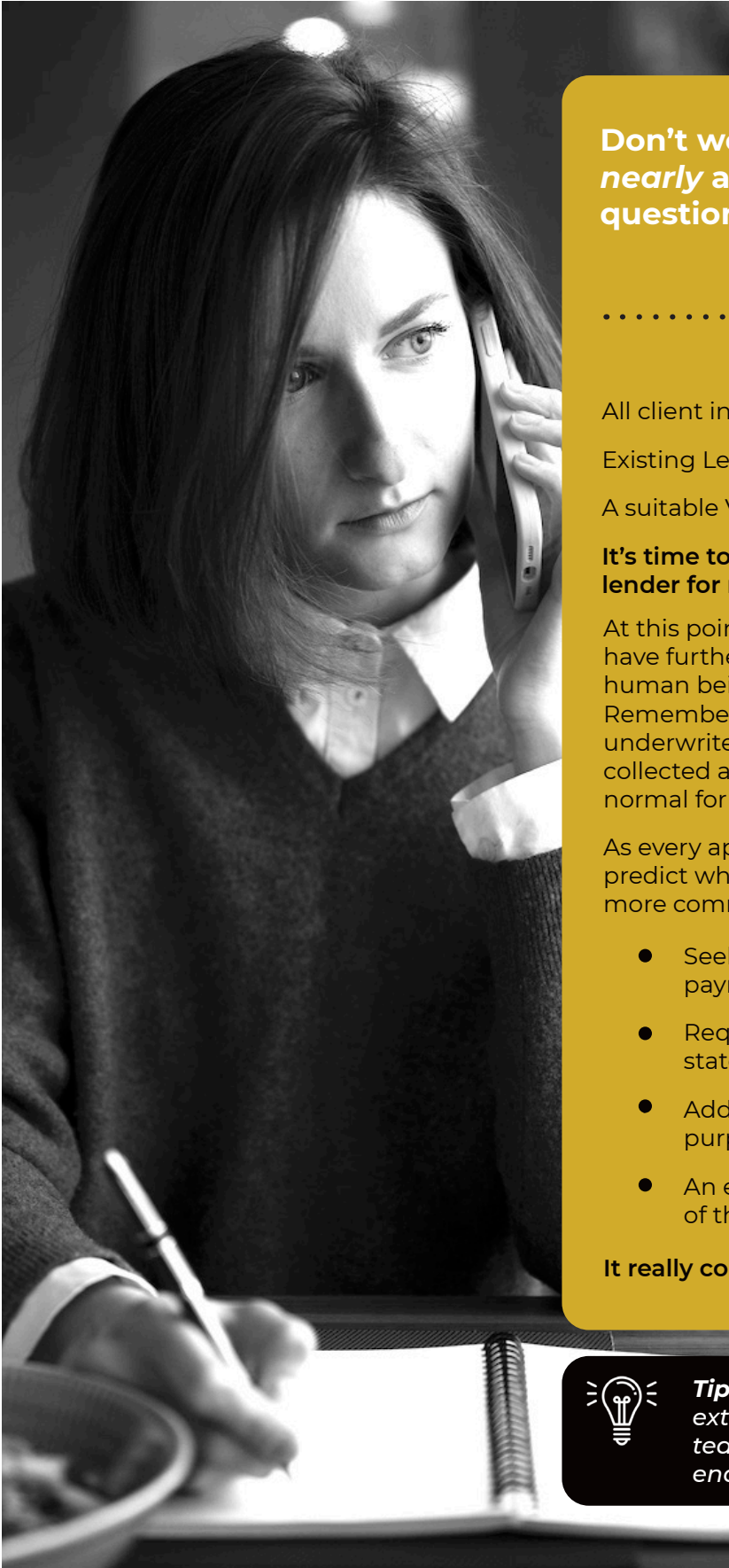
Tip: Sometimes a valuation can be assessed by a lender using online information, this is called an AVM (Automated Valuation Model). If this is the case, we will inform you that a physical valuation will not be required.

If you are intending to use the Second Charge loan to pay off existing debts, then you will need to supply the most recent statements and/or redemption figures for every debt you are clearing.



TIP: Even though you are clearing the debts you must keep paying the instalments until they are settled in full. Please also note that the new lender will want to be sure that consolidating credit will put you in a better financial position.

Step 4 Lender Review



Don't worry the Lender will nearly always have a few questions.

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- All client information received ✓
- Existing Lender consent received ✓
- A suitable Valuation or AVM received ✓

It's time to submit the full package to the lender for review!

At this point, it is quite normal for a lender to have further questions. This is because it will be a human being approving the loan, not a computer. Remember this will be the first time that a lender underwriter has seen all of the information collected all together in one place, it is completely normal for them to "top and tail" with a few queries.

As every application is different it is not possible to predict what these questions maybe, some of the more common ones are:

- Seeking clarity over bonus or overtime payments
- Requesting clarification on a bank statement entry
- Additional information over loan purpose
- An enquiry to the valuer over an aspect of the valuation

It really could be anything!



Tip: Be aware that there are likely to be extra questions, don't panic and let the team here at Complete help to satisfy any enquiry.

Step 5 “Speak With’s” and Release of Funds

We are now preparing for loan completion and the lender will want to make sure that all applicants fully understand the terms and conditions and have an opportunity to ask any questions they may have.

A representative from the lender will call the applicants or provide a number for them to call on.

Providing the call does not raise any issues and once all checks are finalised, a lender will typically advance funds to the applicant within 24 hours.



Tip: For joint applicants, the lender will want to know that both people know about the loan. For example, there have been occasions when a husband has applied for a loan without telling his wife the full details. This call is aimed at ensuring that both parties are fully aware and happy to proceed.



YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR OTHER LOAN SECURED ON IT

This booklet is aimed at guiding applicants and advisers through a typical Second Charge application process. **It should not be taken as advice or recommendation to take out a Second Charge Loan.**

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