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NHHO Homebuy Loan Re-mortgage Guide

We hope the homebuy or keyworker Loan scheme proved to be a positive step for you. When you repay your loan, we'll reuse that money to help even more people through affordable schemes and hope it's a positive step for them too.

This guide contains important information for loan customers wishing to re-mortgage, which you may find helpful. Please call us on **0203 815 2407** or email us at legaladmin@nhhg.org.uk if you have any queries.

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Reasons for re-mortgaging

When you increase the loan secured on your home or change lender, you are re-mortgaging.

As Notting Hill Home Ownership issued your loan, we hold the second charge on your home. This means you will need our permission if you want to re-mortgage.

Because public funds were used to issue the loan, we have a responsibility to protect our ability to recoup the loan. As a result we will only provide our permission for you to re-mortgage in the following circumstances:

- The additional borrowing will not exceed 75% of your share of the equity headroom
- You wish to carry out repairs, maintenance or improvements
- You wish to change your lender or buy out another party
- You wish to repay your loan

Calculating the headroom

The headroom is the increase in value of your home from the initial purchase price to its current value.

For example:

Value of home at purchase:	£200,000 (Equity value at purchase 75% = £150,000)
Current market value of homes:	£300,000 (Equity of current value 75% = £225,000)
Owners headroom:	£75,000 (£225,000- £150,000)
Maximum additional borrowing limit:	£56,250 (£75,000 x 75%)
Maximum total borrowing limit:	£206,250 (Equity value at purchase+ maximum additional borrowing limit)

Providing our permission

Once we have your re-mortgage request form, we'll write to your lender and ask them to provide:

- Confirmation of the redemption amount of the existing loan
- Confirmation of the amount of additional borrowing required
- The reason for the additional borrowing
- The current valuation of the property
- A deed of postponement for NHHO to sign and seal



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We won't be able to proceed until we have this, so to help move things along more quickly, please let your lending institution know and provide them with our details as soon as possible.



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Postponing our charge

As loan providers, Notting Hill hold a charge on your property. To re-mortgage, your lender needs us to temporarily 'postpone' our charge to complete the transaction.

To do this, they should provide us with a legal document called a 'deed of postponement' which we will seal and return to them. This process can take up to 10 working days from when we receive the document.

When we return the document, we effectively give our permission to complete the transaction.

Re-mortgaging to repay your loan

In addition to the usual re-mortgaging process, you will also need to provide us with a valuation report carried out by an independent RICS registered surveyor.

For more information about how we calculate what you owe, please see our **'Homebuy Loan Repayment Guide'**



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Homebuy Remortgage Request Form: Please return this form along with your valid RICs valuation report to legaladmin@nhhg.org.uk or by post to: Legal Admin Team, Notting Hill Home Ownership, Bruce Kenrick House, 2 Killick Street, London, N19FL.

Name of owner/s:	Notting Hill Ref (if known):
Address of property:	Equity Loan %:
Tel no:	Email address:
Date of purchase:	Value of home at purchase:
Current Value of home:	Amount of proposed loan:
Name and address of current lender: Tel: Email .	Name and address of proposed lender (if applicable): Tel:
Purpose of loan (please circle): Essential repairs/maintenance Home improvements Change of lender	Please give full details:
Signed (by all owners if held jointly): Print name _____ Signature Date	Print name _____ Signature Date