

Letter Ref: OFFER

Phone No: 0845 849 4040
Fax No: 0845 849 4041

15th March 2011

Mortgage application number: 5100024

Property address:

Applicant name(s): Mr.


I enclose a copy of the latest Offer for your above named clients.

I confirm that a copy of the Offer has been sent to the Solicitors so they can commence the legal work required. Please ensure that you check the contents of the Offer carefully and notify us of any amendments.

Where insurance has been offered your clients will receive an Acceptance of Insurance form. If they wish to take up the option the Acceptance form must be completed and returned prior to release of funds.

If you have any queries please do not hesitate to contact us on the number shown above.

Yours faithfully



Christopher Pardoe
New Business

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<u>Name of Applicant(s)</u>	<u>Property to be Mortgaged</u>
Mr	

<u>Solicitors Details</u>
J M W Solicitors 1 Byron Place MANCHESTER Lancs M3 3HG

<u>Payment Terms</u>	
Mortgage Advance	£ 182,000.00
Mortgage Term	22 years
Initial Interest Rate	4.800%
Monthly Payment	£ 728.00
(N.B The monthly payment shown here is based upon the Advance being released on disbursement and does not include any fees that may be added to the balance, therefore, your actual monthly payment may differ).	

<u>General</u>	
Application Type	Remortgage
Purchase Price	£0.00
Current Valuation	£255,000.00
After Works Value	£255,000.00
Buildings Insurance Cover (Minimum)	£240,000.00
Tenure	Freehold
Product	(LHM) 2yr Tracker Libor2 + 4.00%
Repayment Method	Interest Only

<u>Advance Breakdown on Completion</u>	
Advance	£ 182,000.00
<u>Fees Added to Balance</u>	
Buildings Ins Contingency Fee	£ 25.00
Completion Fee	£ 4,550.00
Funds Transfer Fee	£ 50.00
Total Approved Loan	£ 186,625.00
Advance being Released on Disbursement	£ 182,000.00

This Offer is subject to the Lender's Mortgage Conditions, the General Conditions and the following Special Conditions.

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Offer Special Conditions

1. This Offer is subject to the following specific Offer Conditions as contained in the General and Special Conditions booklet, numbered below:

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2. 2 Year Tracker Libor + 4%.

1. In this condition:

(a) the Tracker Rate Period runs for 2 years unless it is ended early under 5;

(b) the Early Repayment Period runs for 2 years and;

(c) the Step-Up Date is the fifth anniversary of the date the Loan is advanced and;

(d) the SVR is the standard variable rate of interest published on the Lender's website and/or elsewhere as its standard variable rate for buy to let mortgages as varied from time to time in accordance with the accompanying Mortgage Conditions.

2. During the Tracker Rate Period the Interest Rate shall be the greater of:

(a) LIBOR as determined under 8 plus a margin of 4% and;

b) 4%

3. From the end of the Tracker Rate Period until Step-Up the Interest Rate shall be the SVR plus a margin of 0.25%. From the Step-Up Date the Interest Rate shall be SVR plus a margin of 0.75%.

4. If the Loan is stated in this offer of loan as being on an interest only basis then, notwithstanding any other provision to the contrary:

(a) at the Step-Up Date it will switch to a repayment basis such that the Monthly Payments will include capital and interest and be set at a level to ensure that the Mortgage Debt is repaid in full by the end of the Term and;

(b) as a consequence of (a) from the end of the Tracker Rate Period the Monthly Payments shall increase significantly.

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5. The Lender may end the Tracker Rate Period early if the Borrower does not keep to the terms of the Mortgage. Also, if the Loan is stated in this offer of loan as being on an interest only basis the Lender may convert it to a repayment basis before the Step-Up Date in the circumstances set out in Condition 10.7 of the accompanying Mortgage Conditions.

6. A change in the Tracker Rate Period under 5 or a conversion to a repayment basis under Mortgage Condition 10.7 will not take effect until the Lender has given notice under the Mortgage Conditions.

7. If at any time during the early Redemption Period:

(a) the Borrower repays all or part of the Mortgage Debt or

(b) or part of the Mortgage Debt becomes repayable under the Mortgage Conditions the Borrower must pay to the Lender an additional amount equivalent to 3% of the amount being repaid/becoming repayable.

The Lender shall calculate any additional payment under this condition on the basis of the Interest Rate prevailing at the time the repayment is made or, as appropriate, the Mortgage Debt becomes repayable.

8. In this condition:

(a) the Lender shall determine LIBOR to apply in an Interest Period.

LIBOR in respect of a given Interest Period shall be based on the London InterBank Offered Rate for 3 month sterling inter-bank deposit as published by the British Bankers' Association at or about 11 a.m.

on the last working day of the preceding Interest Period

(b) if for any reason the Lender cannot determine LIBOR in accordance with (a) the Lender may set it at whatever rate it may reasonably consider appropriate in light of market circumstances then prevailing;

(c) in determining LIBOR the Lender may round up any average rate to the nearest 0.1%.

The Lender's determination of LIBOR shall, in the absence of an obvious error, be conclusive.

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9. The arrangement fee as stated in this offer of loan is 2.5% of the Loan amount and may be paid in full prior to completion or added to the Loan. If added to the Loan, interest will be charged on it, in accordance with the Mortgage Conditions.

10. This offer of loan will lapse if completion is not effected within 2 calendar months.

3. You are instructed in accordance with the CML Lenders Handbook for England and Wales and our Supplemental Instructions and Guidance Notes. Our part 2 replies are available on the website (www.cml.org.uk/handbook).

We certify that our instructions to Solicitors and documents sent pursuant to those instructions are subject to the limitations set out in Rule 3.19 and 3.21 of the Solicitors Code of Conduct 2007. As the proposed transaction does not involve a property for use as a private residence by the owner we are permitted by Rule 3.17(6)(c), 3.17(7) and 3.20 to dispense with the certificate of title set out in the appendix to Rule 3.20.

4. This Offer contains the option to select one or more products on the Acceptance of Insurance, from the Lender's specialist range of landlord insurances, and pay the premiums monthly with the mortgage.

These are:

Landlord Insurance - for the professional landlord requiring a high level of flexibility. Designed to protect the property and, if you wish, any contents which belong to you. We can also provide emergency repair cover for the main services to the property (including the plumbing, heating and cooking facilities) at a low monthly cost.

Complete - the very popular policy offered at a special discount to our own borrowers. Specially designed to give peace of mind to the private investor by providing our widest available range of protection for your investment property. Insures not only the buildings and any contents belonging to you, but also the rental income should the tenant default. Backed by Legal Expenses cover for tenant disputes and automatically including our emergency repair service.

Full details of these insurances, and the wide range of products and services we offer to landlords, are set out in the enclosed Landlord Insurance brochure.

Where buildings insurance is not arranged by the Lender (normally where the property is leasehold) then details of the alternative policy, as specified in special condition 68, must be provided by the solicitor on, or prior to, the request for the advance. In this event the Applicant must contribute towards the cost of the Lender taking out contingency insurance and a charge of £25 will be levied.

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Our Buildings cover meets the demands and needs of landlords who wish to insure their let property against the standard range of household insurance risks including fire, storm, flood, malicious damage, escape of water and subsidence. In addition, Limited Contents cover meets the demands and needs of landlords who wish to insure certain specific contents of such a property (being carpets, curtains, sun blinds, light fittings and kitchen appliances) against similar risks and up to a limited sum insured of £5,000. Finally, Emergency Assistance cover meets the demands and needs of landlords who require the services of a qualified repair contractor, including the provision of necessary parts and materials, in the event of a domestic emergency affecting their let property.

5. For an initial period this is an interest only Loan during which there is no part repayment of principal included in the monthly payments. Once this initial period has ended the Loan will switch to a repayment basis and the monthly payment will be set to include principal as well as interest. Please note that on the switch to a repayment basis the monthly payments will increase significantly. Please refer to the product condition in this Offer for details of when the Loan will switch to a repayment basis.
6. The solicitor's attention is drawn to the Lender's "Letting Requirements" in the General Conditions (General Condition 17). Where the Lender has been supplied with a copy or extract of any tenancy agreement affecting the Property the solicitor should note that the Lender does not check or verify its terms. The solicitor must confirm, prior to submission of the Report on Title, that the Lender's requirements as set out in General Condition 17 are satisfied in full.
7. The solicitor must, prior to the request for the release of funds, report any matters that need to be brought to the attention of the Lender under section F of the Supplemental Instructions and Guidance Notes and paragraph 19 of the General Conditions.

In particular, where there is a material discrepancy between the purchase price paid for the Property and the current valuation, the solicitor must investigate the circumstances fully and confirm that the Lender's charge is safe from being set aside under the insolvency legislation.

Where the solicitor is unable to confirm that the Lender's charge is safe from being set aside under the Insolvency Act (no. 2) 1994 (transactions at an undervalue) or sections 239 or 340/341 Insolvency Act 1986 (transactions at a preference) a suitable indemnity policy must be obtained.

8. The solicitor must confirm in writing, prior to submission of the Report on Title, that the Property conforms to planning and building regulations requirements in respect of its use as an HMO.
9. The Applicant's attention is drawn to the following section(s) of the Valuation Report: 6, 14.
10. The solicitor is to confirm in writing, prior to submission of the Report on Title, the items noted in the following sections of the Valuation Report: 3, 7, 14.
11. Solicitor to confirm in writing to the lender that _____ and _____ are one and the same person.