

EQUITY LOAN BORROW 30% WITH NO INTEREST PAYMENTS FOR 10 YEARS

7.6% APR
TYPICAL

Based on an Equity Loan of £60,000 on a property costing £200,000 over a 25 year term with one repayment assuming House Price Inflation at 7.14%. Total interest paid equals £22,500. Plus an admin fee of £250, an estimated valuation fee of £600 and £50 legal fees.

BORROW UP TO 30% OF THE PRICE OF YOUR HOME.

What is an Equity Loan?

Our Equity Loan is designed specifically to give the extra capital you need to make up the difference between the most you can borrow on a traditional mortgage and the extra you need to buy the home you really want.

Our flexible Equity Loan can be taken up with a Places for People mortgage, or a mortgage from another lender.

How the Equity Loan Works

The Equity Loan is a fixed percentage of the value of your property. This means the amount you owe increases and decreases with the changing value of your property. The more your property increases in value, the more you will have to pay back.

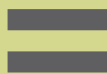
Should your circumstances change and you decide you'd like to pay off your Equity Loan early you can do this whenever you want.

With Places for People you can pay off your Equity Loan in instalments as small as 1% at any time in the term. You will have to purchase equity at the value at the time of purchase. You will also need to pay for an independent valuation and any legal fees associated with the transaction.

Places for People can lend you up to 30% of the value of your new home – with no interest payments for the first ten years.



You can take out an Equity Loan on its own, with a mortgage from Places for People, or with a mortgage from any other lender.



For example, this means if you qualify for a mortgage of £112,000 you could buy a property worth up to £160,000.

NO INTEREST PAYMENTS FOR 10 YEARS.

Our Equity Loan is interest-free for 10 whole years. That's quite a time without having to pay a penny interest.

Like we said, it's a genuine offer to help you move.

Should you wish to continue your Equity Loan after 10 years, interest will be charged at 2% over the Bank of England Base Rate on the original value of your Equity Loan.

If and when you sell

When you choose to sell your home, sorting out your Equity Loan couldn't be easier. You simply give back to us the percentage you borrowed, at the current sale price.

Of course, dependent on the housing market at the time you sell, the amount you pay back could be higher or lower than the sum you originally borrowed.

Your mortgage

Places for People could offer you a mortgage alongside your Equity Loan to cover the remaining 70% of the value of your property.

Or you can arrange your own mortgage elsewhere. You can simply use our Equity Loan to make up the difference between that mortgage and the price of your new home.

It means you may not need to have as big a mortgage as you first thought – yet you can still afford the home you want. You also have the option that if you wanted to stretch yourself a little further and buy a slightly more expensive home, you can.

If you wish to put down a deposit, you can.

Who can apply?

Anyone can apply for an Equity Loan on a selection of Places for People properties.

ANY QUESTIONS?

How does the Equity Loan work?

Places for People could lend you up to 30% of the value (equity) of your home for 25 years (or the term of your mortgage if shorter).

After 25 years (or the term of your mortgage if shorter) you will have to repay the loan, calculated on the value of your home at the time of repayment. Depending on the housing market over the coming 25 years, this amount could be less, but could also be substantially more, than we originally lent you. You will receive examples of how much you could end up paying, and you will be sent annual statements.

Do I need a deposit?

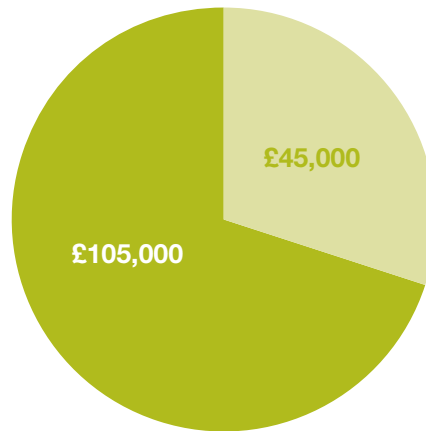
You do not need a deposit but you can pay one if you are able.

What's in it for me?

An Equity Loan helps your money stretch up to 30% further, allowing you to afford the home of your choice. For example, you could buy a home worth £200,000 with a mortgage for only £140,000.

How the property purchase is funded

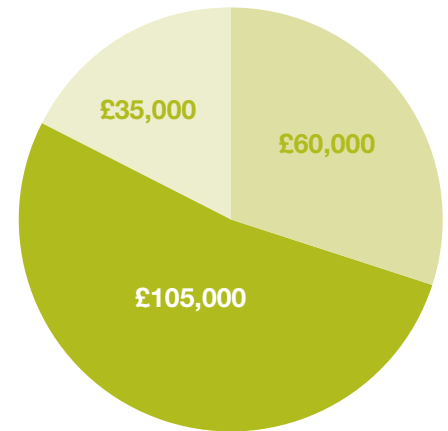
For example if you have a 30% loan from Places for People on a house worth £150,000 you have borrowed £45,000.



- 30% Equity Loan = **£45,000**
- 70% Mortgage = **£105,000** (including any deposit paid)

How the loans are repaid at sale

If when you sell your house it is worth £200,000 you will owe Places for People 30% of the value, which means that you will need to pay back £60,000.



- Increase in value kept by customer = **£35,000**
- 30% Equity Loan = **£60,000**
- Mortgage = **£105,000** (less amount repaid)

When do I have to pay the Equity Loan back?

The loan must be repaid after 25 years or the term of your mortgage (whichever is shorter) or if you sell your home. The amount you owe will be calculated on the value of your home at the time of repayment. You will have to pay for an independent valuation and any legal fees associated with the transaction.

Early pay back: You can pay back in instalments of 1% of the value of the loan. You will have to pay for an independent valuation, and any legal fees associated with the transaction.

If you pay back the loan in the first 3 years you will need to pay back the original amount borrowed or the value of the property at that time, whichever is the higher.

If you sell your home: You can move whenever you choose to. When you move you will have to repay the full loan. The amount you owe Places for People will be calculated on the value of your home when you repay the loan. You will have to pay any legal fees associated with the transaction.

After 25 years: The loan will have to be repaid in full after 25 years (or the term of your mortgage if sooner). The amount you have to pay will be calculated on the value of your home at the time of repayment. Depending on the housing market over the coming 25 years, this amount could be less, but could be more than you originally borrowed from Places for People. You will have to pay for an independent valuation, and any legal fees associated with the transaction.

THE GREATER THE INCREASE IN THE VALUE OF YOUR HOME, THE MORE YOU WILL HAVE TO PAY BACK.

Will I pay interest on my Equity Loan?

There are no interest payments on your Equity Loan for the first ten years. After that you do pay interest, at a rate of 2% over the Bank of England Base Rate on the original value of the loan.

What sort of home can I buy?

Our Equity Loan is available on selected Places for People properties. The property must be for entirely residential purposes and be your main home.

What happens when I want to sell my property?

When you sell the property you must repay Places for People the original percentage you borrowed, at the current sale price. Dependent on the market at that time, this could be a higher or lower amount than you initially borrowed.

Who owns the property?

This is not a shared ownership scheme, and you will own 100% of your property. There will be no rent or landlord's fees to pay and you are free to make any alterations to the property that are permitted under planning and building regulations.

Am I liable for service charges?

Yes, as you own the property you will be liable for service charges.

What happens if I can't afford to pay it back after 25 years?

How much you will need to pay back in 25 years' time is dependent on the housing market. Nobody knows for sure how this will fluctuate and you could have to pay us back more than you initially borrowed. The more your property goes up in value, the more you will need to repay.

You will need to plan for how you will pay the loan back. If you are unable to repay us, you may have to sell your home. We will discuss your repayment strategy with you at the time you apply for the scheme.

Is there a fee for taking out an Equity Loan?

There is a set up fee of £250.

What are the restrictions?

While in receipt of an Equity Loan you cannot sub-let your property. Additionally, you cannot re-mortgage your property without our permission. You must then repay the loan before releasing equity for any other purpose.

Who are Places for People?

Places for People is a group of companies that operates as an ethical business. We manage more than 60,000 homes across the UK, and we have a considerable landbank, which we are developing in order to create new communities. We are committed to the long-term management of these new communities, and any profits we make are put back into the business.

We aim to create environments where people and their families can prosper, in a way that doesn't damage the environment. We do this by building new homes and improving existing neighbourhoods to a very high standard. We also offer care and support to individuals, childcare, training, job opportunities and personal loans.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR ANY OTHER DEBT SECURED ON IT.

SO HOW DO I APPLY?

In the first instance, simply ask one of our helpful sales staff on site.

If you think you'd like to go ahead, they'll give you an application form and recommend you contact an independent financial advisor.

Once you've decided to apply, completing the application form is easy – then just send it to our address. We'll respond quickly, to help you get into your new home as soon as we possibly can.

Send your application form to:

18 SOUTH RINGS BUSINESS PARK
CRAVEN DRIVE
BAMBER BRIDGE
PRESTON
PR5 6BZ

Alternatively, call, email or visit us online.

Call **0845 603 6695**

Lines open 9.30 – 4.30 Monday to Friday

Email: financial.services@placesforpeople.co.uk

Visit: www.placesforpeople.co.uk/mortgages

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OTHER DEBT SECURED ON IT.**

