



## Guernsey Mortgages – FAQ's

### What is initial interest?

Initial interest is the amount of interest that will accrue from the date of drawdown to the end of the relevant calendar month and it will be included in your first scheduled monthly repayment.

### How is interest calculated & applied?

Interest is calculated on a daily basis and applied to your loan quarterly in arrears at the end of March, June, September & December.

### When do my monthly repayments commence?

Monthly repayments will commence on the 1<sup>st</sup> of the second month after drawdown. For example if your mortgage is drawn in January, your monthly repayments will commence on 1<sup>st</sup> March.

All repayments are due by direct debit as at the 1<sup>st</sup> of each month; this payment date is fixed and is a condition of your mortgage and cannot be changed on an ad hoc basis.

### Can I make overpayments?

Should you wish to make overpayments in order to reduce your interest costs, there are 2 ways in which you can do this, provided that the terms of your product allow it.

- 1) You can request in writing that we increase your repayments on a monthly basis
- 2) You can reduce your mortgage by making ad hoc lump sum reductions. No overpayments can be made within the first three months following drawdown of the facility. We may need to be in receipt of a completed Declaration of Source of Funds form (available on request) together with evidence of the source of funds, such as a bank statement, before any capital reductions can be applied to your mortgage. Please contact us on 01481 712279 prior to making any payment.

Should you wish to remit funds to us, you can do so either by sending us a cheque, or by bank transfer to the following details:-

Bank	HSBC Bank PLC
Sort Code	40.22.25
Account	Skipton International Ltd
Number	42660180
Reference	Your mortgage account number

### If the interest rate is fixed for a certain period what happens at expiry?

If your loan is either on a fixed rate, or is on a tracker rate linked to the Bank of England Base Rate (BoEBR) for a limited period, we will contact you in the month it is due to expire to advise you of the rates that we will be offering at that time. If we receive no instructions from you, your account will switch to a revert to rate as detailed in your Offer Letter.

All loans that are linked to BoEBR will change within 14 days of any rate change being announced by the Bank of England and we will advise you in writing of the new interest rate and monthly repayments.

### When will I receive mortgage statements?

Statements for all of our mortgages are produced on an annual basis as at 31 December each year and we will endeavour to post these to you during the 1<sup>st</sup> two weeks of January. With effect from 2012 we no longer issue separate Interest Certificates as the total interest amount for the calendar year is quoted on your annual statement.

As per the Terms & Conditions of your mortgage, please remember that you must maintain buildings insurance noting Skipton International's interest throughout the term of your borrowing with us & this must cover full rebuilding costs.

For new mortgages it is worth bearing in mind that it can take a few years for the balance to reduce significantly. In the early years of your mortgage, the monthly repayments mainly consist of interest with only a small amount being applied to reduce the capital. Over the years the interest portion of the monthly repayment will gradually decrease thereby achieving a greater reduction of capital. Should any additional statements be required, there will be a charge of £25.00 as per our tariff of charges.

Unfortunately, we do not offer internet banking, however should you require an update on your mortgage at any time, please call us on 01481 712279 or email us at [mortgageservices@skiptoninternational.com](mailto:mortgageservices@skiptoninternational.com) and we will be happy to help.