


FOR THE USE OF MORTGAGE INTERMEDIARIES AND OTHER PROFESSIONALS ONLY.

# STEP-BY-STEP GUIDE TO BUY TO LET PRODUCT TRANSFERS

**BM**SOLUTIONS  
FROM BIRMINGHAM MIDSHIRES

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| <b>JOB NAME</b>           | 3/9280: BM Product Transfer leaflet     |                     |                    | <b>PROOF</b><br><b>2</b> |                           |                  |   |
| <b>BRAND</b>              | BM Intermediaries SW                    | <b>PRODUCT</b>      | Mortgage           |                          |                           |                  |   |
| <b>STOCK CODE</b>         | 3/9280                                  | <b>VERSION DATE</b> | MONTH (MM)<br>09   | YEAR (YY)<br>18          | PROOF DATE<br>27-SEP-2018 |                  |   |
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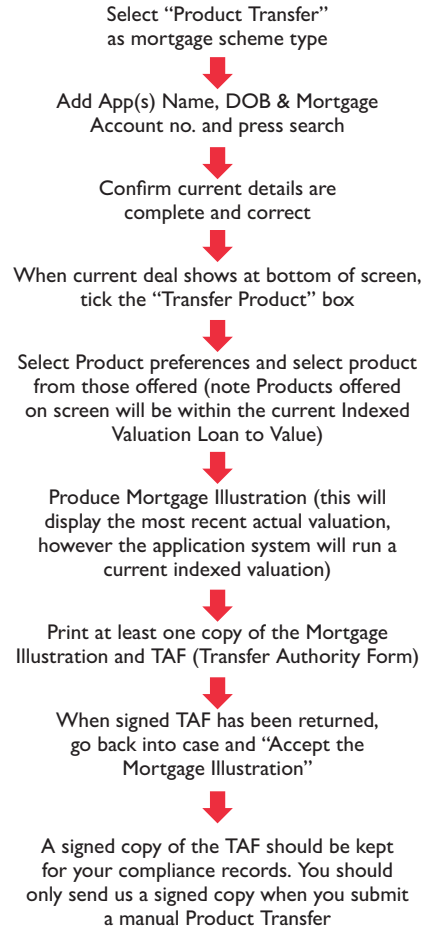
# OUR BUY TO LET PRODUCT TRANSFER RANGE

## **Our Buy to Let product transfer range allows your client to choose a new product for their existing BM Solutions mortgage;**

- Product transfers can be submitted up to 60 days prior to the current mortgage product expiring, without incurring any ERCs.
- You can select a specific date for the product transfer to be instructed.
- Procuration Fees will be paid within 10 calendar days after the product transfer has completed.
- We'll confirm by email once the product transfer has been completed.

All backed by the kind of diligent service you'd expect from an award winning lender.

To make submitting product transfer applications as simple as possible we've pulled together the below step-by-step guide.



Following this step-by-step guide to submission will ensure your application is processed correctly. If an application is keyed incorrectly then no guarantee can be given to product or rate availability at the time the application is resubmitted.

## Cooling Off Period

Product Transfers can be reversed within our 14 day cooling off period (Standard days not working days) following completion without penalty. After this time, no reversals will be considered.

## Outstanding Fees

Any outstanding product fees or overpayments for Product Transfers can be sent by BACS/Faster payments. The fee will initially be paid to the clients mortgage account until the Product transfer is processed.

### Lloyds Bank

**Sort code** – 30-02-50

**Account number** – 04968773

Please ensure the payment reference states:

1. Mortgage account number
2. Client surname (if reference field allows).

### Cheque

Cheques should be made payable to Birmingham Midshires adding the account number and the applicants name to the back of the cheque to:  
Birmingham Midshires Mortgage Servicing  
PO Box 833 Leeds LS1 9PU.

## Acceptable Arrears History

Product Transfers can be accepted where there have been arrears on the clients' accounts and any Birmingham Midshires linked accounts providing the client does not exceed the following levels and all arrears have been cleared at the point of application.

- None within the last month
- No more than 1 missed payment between 2-6 months
- No more than 1 missed payment between 7-12 months
- No more than 2 missed payments between 12 and 24 months.

Where arrears total more than the acceptable levels a Product Transfer will not be accepted until the account is brought within the acceptable tolerances stated.

## Service Level Agreements

A Product Transfer can be submitted up to 60 days prior to the existing product end date. The Product Transfer will be processed on or within 5 days from the transfer effective date. If no preferred date is supplied the Product Transfer will be processed within 5 days.

An e-mail will be issued to the Broker when the Product Transfer has been completed and a letter detailing full information will be posted to the client.

## Monthly Payments

Dependant on the date the product transfer completes and when the next payment date is due the monthly payments will be effected differently. The three variances are as follows:

### Product transfer completes more than 17 days from the next payment date:-

The next monthly payment will reflect the change in interest rate part way through the month and in effect will be an initial payment (interest calculated daily). The payment the following month will be the first complete month of the new product transfer rate.

### Product Transfer completes between 7 & 17 days from the next payment date:-

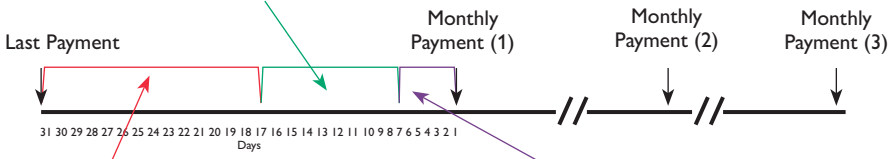
The next monthly payment will not change however; the principal balance may reduce as a result in the change in interest rate. The principle balance will never increase if the payment should be higher the monthly payment will account for this. The payment the following month will be the first complete month of the new Product Transfer rate.

### Product Transfer completes between 0 & 6 days from the next payment date:-

The next monthly payment will not change. The following month's payment will change taking into account the change in interest part way through the previous month. The payment the following month will be the first complete month of the new Product Transfer rate.

## The following illustrates this further

If the Product Transfer is processed between 17 & 7 days from the next payment, the payment (1) will not change however the principle balance may reduce. Subsequent payments (2 and 3) will be at the new rate.



If a Product Transfer is processed more than 17 days from the next payment date the monthly payment (1) will reflect the change in interest rate part way through the month (interest calculated daily) Payment (2 and 3) will reflect a full month at the new rate.

If the Product Transfer is processed within 7 days of the payment, payment (1) will not change, payment (2) will have an adjustment for interest change part way through previous month and regular payment will start at payment (3).

| Example                 |      |
|-------------------------|------|
| Current Monthly Payment | £500 |
| New Monthly Payment     | £400 |

| Date PT Processed | Monthly Payment (1)   | Monthly Payment (2)                | Monthly Payment (3) |
|-------------------|---|------------------------------------|---------------------|
| More than 17 Days | Part old rate part<br>New Rate £450                                   | New Rate £400                      | New Rate £400       |
| 17 – 7 Days       | Old Rate (Adjustment made<br>to capital account) £500                 | New Rate £400                      | New Rate £400       |
| Less than 7 Days  | Old Rate (Adjustment for<br>overpayment to be made<br>payment 2) £500 | New Rate<br>(With adjustment) £375 | New Rate £400       |

## Product Maturity

If the Product Transfer has been processed more than 30 days before the expiry of the existing product then no letter will be sent to the client regarding the maturity of the current product. Should the existing product have 30 days before the expiry date the client will always receive a product maturity letter. The client's new payments are calculated at this stage (assuming no other changes on the account) and these payments are quoted in the notifying letter.

Please be aware this may overlap with a Product Transfer request that is in line to be processed.

## Regulated Mortgages

From 14th April 2014, BM Solutions no longer accepted any regulated mortgages and we cannot offer any contractual changes to existing mortgages including Further Advances, Product Transfers or Repayment Term/Type changes. If the original mortgage was deemed as regulated, the status of the mortgage cannot change and clients will need to stay on the standard variable rate or remortgage away from Birmingham Midshires.

If you have a client who requires to make a change to their account and their existing regulated mortgage is held with us, the client can contact our Specialist Remortgage team in Lloyds Banking Group on **0345 608 0263**.

## Submitting a Product Transfer application & making a Capital Repayment

The transfer will not take place until the Capital Repayment has been received. If the Capital Repayment has not been received prior to the Product Transfers execution date, then the Product Transfer will be diarised for 10 days for receipt of capital and a letter issued to the client to make them aware that the Capital Repayment is awaiting payment. After 10 days the account will be checked, if the Capital Payment has been received the Product Transfer will take effect from that date. If the Capital Payment is not received before the illustration expires, you will have to re-submit the application.

## BACS payments/Faster Payments

The Capital Repayment can be made to the account using the details below

### Lloyds Bank

**Sort code** – 30-02-50

**Account number** – 04968773

Please ensure the payment reference states:

1. Mortgage account number
2. Client surname (if reference field allows)

The payment will be applied to the clients account upon receipt.

## Additional information

- Product Transfers are based upon Indexed Valuation however revaluations are available on request – these are subject to a fee detailed on **bmsolutions.co.uk**
- We no longer offer expatriate mortgages, therefore if the client has moved out of the country since the start of the mortgage we will be unable to offer a Product Transfer on their mortgage.



# GET IN TOUCH



[bmsolutions.co.uk](http://bmsolutions.co.uk)

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