

Interest Only Sale of Mortgaged Property Declaration

Application Number:

Applicants Name(s):

Property Address:

I/We have requested that I/we wish to repay the whole or part of our mortgage on an interest only basis and understand that:

- The monthly repayment will only cover the interest that has to be paid on the mortgage and the amount borrowed (the capital) will remain outstanding.
- At the end of the mortgage term I/we are responsible for repaying the outstanding capital.

At the end of the mortgage term it is my/our intention to sell the property detailed above and use the sale proceeds to redeem the mortgage outstanding.

I/we fully understand that the sale proceeds may not be sufficient to repay the outstanding capital and it is my/our responsibility to ensure that I/we have suitable financial arrangements in place to repay any remaining outstanding capital amount, if the capital has not been repaid from other means.

It is then my/our intention to:

- ☐ Use any equity remaining from the sale after the mortgage has been repaid to downsize in the same area or to another area detailed below. Please include the name of the area and the letters at the start of its postcode as discussed with your mortgage adviser.

Name of area downsizing to: _____

Letters at the start of the above area's postcode: _____

Important information:

- The value of your home can go down as well as up which may affect your ability to redeem the mortgage using the sale proceeds only. It is your responsibility to ensure that the sale proceeds are sufficient to enable you to downsize to a particular area.
- If your property is leasehold, its value may also fall as the term remaining on the lease reduces.
- If you are unsure about any of the potential implications of taking out an interest only mortgage, you should discuss these points with your mortgage adviser before signing this declaration.

I/We declare the above information to be correct and to accurately reflect our current intentions:

First Applicant

Second Applicant

Signature: _____

Date: _____

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE

Head Office: 2 Providence Place, West Bromwich B70 8AF

www.westbrom.co.uk

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