

# Further Advance Lending

## Application process

- A further advance application can only be accepted if a product switch instruction has been received.
- The further advance application will be handled independently of the product switch and funds will be released once the offer has been accepted. This does not need to wait for the product switch to have taken place. Please note, if the further advance is not approved prior to the product switch date you should liaise with the applicant(s) regarding the alignment of dates.
- If the further advance application is declined and the product switch has already become effective, any Early Repayment Charges associated with the product switch will be charged if the applicant(s) choose to remortgage to a different lender to raise the capital required.

## Term

- The mortgage term of the further advance cannot exceed the existing main loan term. If the applicant(s) want to extend their existing term in addition to a further advance, the applicant(s) will need to contact us directly or complete the term change directly and independently of the further advance.
- Unless a reduced term has been requested, we will use the existing mortgage term and round this down to whole years e.g. if the existing term is 20 years and 7 months, the further advance term will be set to 20 years.

## Fees

- Further advance applications are subject to a £99 fee. The fee should not be paid at application, the fee will be automatically deducted from the funds released at completion of the further advance.

## Valuations

- A valuation on the property may be required before we can accept the application. If a valuation is required there is no additional charge, this is included in the £99 further advance application fee, however the type of valuation required could vary depending on the application for example.
  - o If the further advance lending is for structural home improvements
  - o Will be obtained where the LTV is above 75%.
- We could complete an indexed valuation, a desktop valuation or a property valuation. If access to the property is required, we will contact the applicant(s) to arrange this.

## Conveyancing

- A solicitor will be required for a further advance application if the purpose of the loan includes any of the following:
  - o Purchase of Freehold
  - o Purchase of final share of shared ownership property
  - o Lease extension on a leasehold property
  - o Purchase of final share of equity of equity loan.

## Retentions

- On a further advance application, a retention could apply which could reduce the amount of funds released at completion.
- This is when the LTV is equal to or greater than 90% and the purpose of the loan is for structural home improvements.
- The maximum release will be 90% of current valuation pending planning permission and building regulations. Once we are satisfied with the regulatory approval to proceed with the structural changes, the retention amount of the further advance can also be released.



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