



Exclusive Open Market HomeBuy Mortgage

- **For those eligible to buy a home under the Government's Open Market HomeBuy Scheme**

Including Key Workers in the public sector, social housing tenants, priority groups on a housing register and some priority first time buyers



Yorkshire Building Society, who was awarded 'Lender of the Year' in both 2005 and 2006 by Mortgage Magazine, is one of the largest building societies in the UK, with 1.8 million members and assets of over £17 billion.

Because we're a building society, not a bank, when you take out a Yorkshire Building Society mortgage or savings account you have the reassurance of knowing you're a member of a mutual organisation working solely in your interests. That's why we really mean it when we say we're with you one hundred percent.

This guide provides an overview of the exclusive Open Market HomeBuy mortgage that we are offering as a part of the Open Market HomeBuy initiative, which is a major scheme to help Key Workers in the public sector and some lower-income families into home ownership. It does not state the full rules of the scheme but highlights its main features as well as providing details of our exclusive Open Market HomeBuy mortgage that we offer as part of the scheme.

You must contact a HomeBuy Agent to ensure that you are eligible for the scheme as the HomeBuy Agents are responsible for administering the Open Market HomeBuy Scheme on behalf of the Government. They can also provide you with details of other mortgages offered as part of the scheme, explain how the scheme works in more detail and provide other sources of information on the scheme. Details of how to contact HomeBuy Agents are on page 5 of this booklet.



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0845 1200 860



www.ybs.co.uk/omhb

Helping you get started

It is no surprise to hear that the cost of property has increased significantly over the last few years and now more and more people are struggling to get their foot onto the property ladder.

Spiralling house prices have left many Key Workers in a difficult position when it comes to buying a house close to their work, and this has forced many people into long-term rental when they really want to buy their own homes.

Many others are enduring long commuting times and distances just to be able to buy a house at an affordable price. Key Workers play such a critical role in society that it is vital that we have them in all parts of the country, not just those areas where they can afford to buy their own homes.

At Yorkshire Building Society, one of our primary objectives as a mutual organisation is to help people to buy their own homes. We are constantly looking at new and innovative ways to help people get started and that's why we became involved in the Government-driven Open Market HomeBuy Scheme.

After participating in the scheme for over a year, we've developed, in association with the Government, an exclusive Open Market HomeBuy mortgage. Details of this are shown on page 7.

What is the Open Market HomeBuy Scheme?

The Open Market HomeBuy Scheme is a Government-led initiative set up to help Key Workers (e.g. teachers, police officers, social workers, clinical NHS staff), social housing tenants, priority groups on a housing register and certain priority first time buyers borrow money to get onto the property ladder. If you fall into one of these groups please read on to see if this scheme could help you.

The scheme is designed to help you to buy a home on the open market with the aid of an equity loan. If you are eligible for the scheme and have found that a standard mortgage does not allow you to borrow enough to purchase a home, the inclusion of an equity loan could increase your overall purchasing power. This would mean that at the outset you would only need income to support a proportion of the overall mortgage.

Mortgages for the scheme are provided by a small number of mortgage lenders, including Yorkshire Building Society, in conjunction with Government-appointed HomeBuy Agents who manage the money that the Government put into the scheme.

What are the steps involved?

The 4 steps below summarise how you buy a home through the Open Market HomeBuy Scheme.

Step 1: Make an application to the HomeBuy Agent for the scheme

You need to contact the HomeBuy Agent administering the scheme in your area who will check your application to see if you are eligible.

A contact list for HomeBuy Agents is available by:

- Asking a member of staff in one of our branches (see the back cover for details)
- Going online at www.housingcorp.gov.uk
- Calling the Housing Corporation on **0845 230 7000** (Monday to Friday from 9am to 5pm).

Step 2: Response to your application

Having assessed your eligibility, the HomeBuy Agent will contact you to let you know if you qualify for the scheme. They will also confirm the maximum Government equity loan amount they are prepared to lend you, along with the timeframe in which you are expected to find a property.

If you do qualify, the notification will include our contact details and contact details for Independent Financial Advisers/mortgage brokers who will provide information on relevant mortgages as part of this scheme.

Step 3: Find out how much you can borrow

You then approach us either directly or via an Independent Financial Adviser/mortgage broker. We will take some details and, from this, confirm how much you can borrow on both the conventional mortgage loan and our equity loan. Once you know how much you can borrow from us, you can start looking for a property.

Step 4: Buying the property

Once you find a suitable property, the details will need to be provided to both the HomeBuy Agent and us for approval.

Once approval is received you will have to:

- Get the property valued – we will provide details on how to do this
- Appoint a conveyancer to deal with the purchase on your behalf.



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“ At Yorkshire Building Society, one of our primary objectives as a mutual organisation is to help people to buy their own homes. ”

What does Yorkshire Building Society offer?

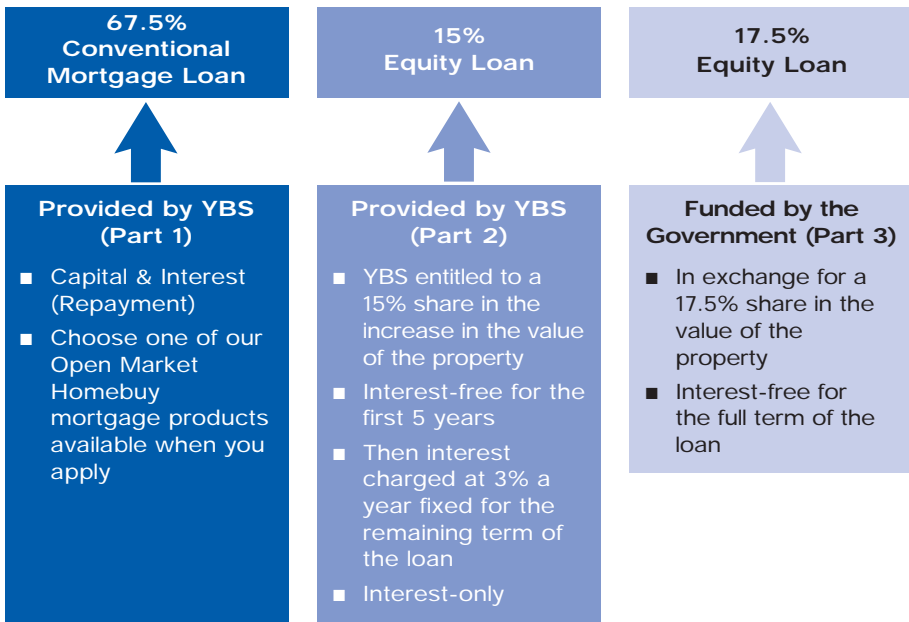
Our exclusive Open Market HomeBuy mortgage consists of parts 1 and 2 of the overall lending as set out below. Part 3 is a separate equity loan from the Government.

Part 1: A conventional mortgage loan that covers 67.5% of the property purchase price


Part 2: An equity loan covering 15% of the property purchase price

Part 3: An equity loan from the Government of up to 17.5%, less any borrower deposit.

Open Market HomeBuy Mortgage from Yorkshire Building Society (YBS)



Please refer to the enclosed flyer for details of current interest rates.

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Part 1: Conventional mortgage loan

Covers 67.5% of the purchase price – provided by Yorkshire Building Society

Part 1 of our mortgage will cover 67.5% of the purchase price and will be on a repayment basis which means your monthly payments consist of capital and interest. You can choose from our Open Market Homebuy products. Full details of these products are given on the enclosed product flyer.

Part 2: Equity loan

Covers 15% of the purchase price – provided by Yorkshire Building Society

In addition to the conventional mortgage loan you would also get an equity loan from Yorkshire Building Society for 15% of the property price on an interest-only basis.

- There is no interest charged on this part of the equity loan for the first 5 years.
- A 3% interest rate will apply on this part of the equity loan in each year from year 6 onwards, for the remaining term of the loan.
- Our equity loan, together with our share in any increase of your property's value, may be repaid by you at any time as a one-off payment. Partial repayments are not permitted.
- When you move house or pay off your mortgage, the Society will take a 15% share of any increase in the value of your home which occurs between when you take the mortgage out and when you repay it.

Please refer to the enclosed product flyer for details of current interest rates.

Part 3: Equity loan

Covers 17.5% of the purchase price – provided by a HomeBuy Agent on behalf of the Government

In addition to a mortgage from the Society, you would also get an equity loan from a HomeBuy Agent for up to 17.5% of the value of the property, although this equity loan may be less if you have a deposit to put down.

- There are no monthly payments or interest charges on this equity loan for the full term of the loan. Instead, you would give the HomeBuy Agent a share of any increase in the property's value when you repay their loan or sell the property.

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

Please note

The maximum lending available is based on the lower of the valuation amount or purchase price of the property. If the valuation we obtain is lower than the purchase price this will create a shortfall.

Under the rules of the Open Market HomeBuy Scheme any deposit you provide is deducted from the government's equity loan and as such cannot be used to cover any shortfall in these circumstances. Therefore if you are unable to negotiate a reduction in the purchase price, you may not be able to borrow the funds necessary to buy the property.

- When you repay your mortgage or sell the property, you must repay to Yorkshire Building Society the following:
 - The outstanding amount on the part 1 conventional mortgage loan
 - All of the part 2 equity loan
 - Plus 15% of any increase in the property value during the life of your mortgage
 - You may also have to pay early repayment charges if you redeem the mortgage or sell the property within the first 5 years of your mortgage.
- If property prices fall (so that your property is worth less than when you purchased it), the part 2 equity loan is still repayable to the Society but there would be no share in any increase to pay in this case.
- If the Society's part 1 conventional mortgage loan is repaid, then the part 2 equity loan must also be repaid.
- The Society's part 2 equity loan, together with the Society's share in any increase in the value of the property, may be repaid at any time but only in its entirety, i.e. once, not in smaller chunks.
- The Homebuy Agent's equity loan (part 3) may not be repaid before the Society's part 2 equity loan has been repaid but may be paid back at the same time or at a later date.
- Other lenders offer different mortgages under the Open Market HomeBuy Scheme. The HomeBuy Agents can provide you with further details of the mortgages available.



visit our branch



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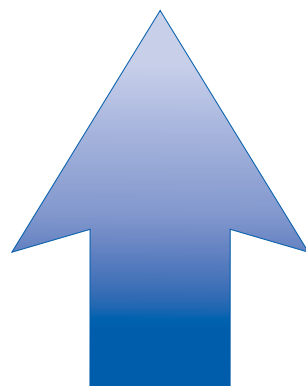
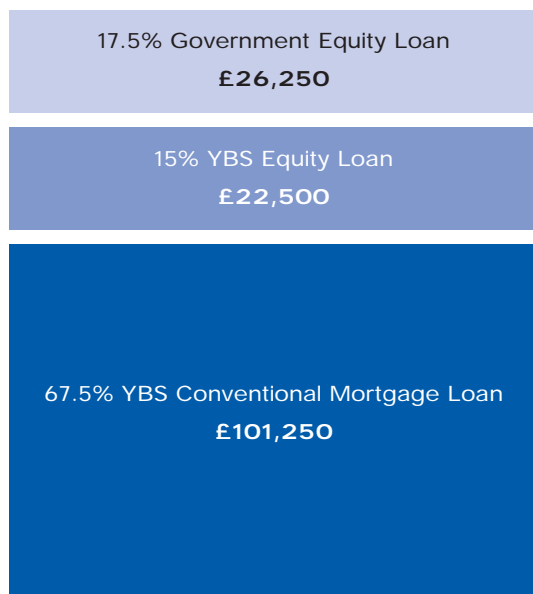
Open Market HomeBuy Mortgage from Yorkshire Building Society (YBS)

A worked out example

If house prices increase:

If you bought a house at a valuation of £150,000 and sold it 5 years later at a valuation of £180,000:

Valuation at time of purchase £150,000



If house prices increased by 20% by the time the house is sold (or mortgage redeemed), i.e. house increased in value by **£30,000**



On sale of property valuation and sale price are £180,000

17.5% Government Equity Loan

£26,250 + £5,250 (17.5% share in house price increase) = total of **£31,500**

You pay back to the Government
£31,500

15% YBS Equity Loan

£22,500 + £4,500 (15% share in the house price increase) = total of **£27,000**

You pay back to YBS
£27,000

YBS Conventional Mortgage Loan*

Amount originally borrowed less any capital repayments made during 5 years of the mortgage

For example if you paid off £2,500 through normal mortgage payments

Balance outstanding would be £101,250 - £2,500, i.e. **£98,750**

You pay back to YBS
£98,750

Your proportion of the house price increase:

You, the borrower, would have **£22,750** for yourself after paying off the above, i.e. Government Equity, YBS Equity loan and YBS Conventional loan

* Please be aware that interest would also be charged on the YBS Conventional Loan in the above example, and would need to be repaid too.

TOTAL PAID BACK
£157,250

If house prices fall:

Please note the Government will absorb up to a maximum of 17.5% fall in house prices. If house prices were to fall by more than 17.5% then you would still have to repay us the amount outstanding on our mortgage, i.e. both the YBS 15% equity loan and the 67.5% YBS conventional loan.

Other costs

You should be aware that there are also other costs associated with buying a house, such as legal fees, survey fees and stamp duty.

How to apply

You can apply for the exclusive Yorkshire Building Society Open Market HomeBuy mortgage in the following ways:

- Face to face through a number of our branches – see back cover for branch contact details
- Via the telephone by calling **0845 1200 860**
- By going online at **www.ybs.co.uk/omhb**
- Via a mortgage broker as suggested by your local HomeBuy Agent.

Please note you will need to have received written confirmation of eligibility from the HomeBuy Agent that you are eligible for the scheme before applying for a mortgage with us. You will need to provide us with a copy of this as part of your application.



What else should you know?

Portability

If you move home, you will have to repay this mortgage and apply for a new one. You may be eligible to take out another Open Market HomeBuy Mortgage on your new property or, if you no longer qualify, you may have to consider taking out a standard mortgage.

Home Improvements

Certain home improvements which you make and pay for will be excluded from the value of your home when calculating our 15% and the Government's 17.5% share of any increase in the value of your home. In this way, you get the full financial benefit of any changes you may have made. Please note that in order to take advantage of this benefit you must obtain our consent before making home improvements.

Repaying the equity loans

As well as paying the amount outstanding on the Yorkshire Building Society conventional mortgage loan, you will need to repay the equity loans to Yorkshire Building Society and the HomeBuy Agent. In addition to this, you must also repay any increase in the value of your home. The equity loans must be repaid in the following circumstances:

- If you move house, remortgage or pay off the loan any time during the mortgage term
- If the equity loan from the HomeBuy Agent becomes repayable
- At the end of the mortgage term

Please note: If you keep the mortgage for the full term, you will need to ensure you have saved sufficient money to repay both equity loans plus any increase in the value of your property.



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POLICE

How else can we help you?.

Protection

When taking out your mortgage it is essential that you are not only able to purchase your new home but also protect and insure yourself and your new home as well. Yorkshire Building Society will discuss your insurance and protection needs in full at the time of the mortgage application.

First Time Buyers

If the Open Market HomeBuy Scheme is not for you, Yorkshire Building Society offer a range of mortgages specifically for first time buyers that combine long-term value with a choice of special introductory rates for a set period. We also offer mortgages that can help you meet some of the up-front costs involved with buying a home such as valuation and legal fees. What is more, all our mortgages provide flexible features so that your mortgage will work for you, both now and in the future. Please contact us for a copy of our 'Buying your first home' product guide which provides you with further details.

Applications subject to standard lending criteria. All loans subject to status.

Yorkshire Building Society also offers:

- Savings accounts
- Home Insurance
- Motor Insurance
- Personal Loans
- Credit Cards
- Travel Insurance
- Foreign Money Transfers
- Services offered in association with Legal & General:
 - Investment Planning
 - Longer-term investments
 - Inheritance Tax Planning
 - Pension Review Service

For more information



Call us on **0845 1 200 100**
Monday to Friday, 8am to 8pm,
Saturday, 9am to 1pm



Visit your **local branch**



Click on **www.ybs.co.uk**.

The following Yorkshire Building Society branches are selling our exclusive Open Market HomeBuy mortgage as part of the Open Market HomeBuy Scheme:

Bolton 0845 128 9307	Leeds 0845 128 9421
Bradford 0845 128 9437	Leicester 0845 128 9112
Bristol 0845 128 9203	Liverpool 0845 128 9311
Bexleyheath 0845 128 9101	London 0845 128 9113
Bournemouth 0845 128 9202	Manchester 0845 128 9315
Chalfont 0845 128 9103	Newcastle 0845 128 9619
Chatham 0845 128 9104	Oxted 0845 128 9117
Coventry 0845 128 9205	Preston 0845 128 9320
Croydon 0845 128 9106	Sheffield 0845 123 9520
Haywards Heath 0845 128 9129	Shenfield 0845 128 9120
Huddersfield 0845 128 9420	Sutton 0845 128 9121
Ipswich 0845 128 9111	York 0845 123 9527

Branch opening hours: 9am – 5pm, Monday – Friday. Some branches are open on Saturdays. Please contact the branch for details.

Outside of these hours please call **0845 1200 860**

Or click www.ybs.co.uk/omhb

Our Member Contact Centre also offers
a Textphone facility on **18001 0845 1200 851**

All communications with us may be monitored/recorded to improve the quality of our service and for your protection and security. BT landline calls to 0845 numbers cost no more than five pence per minute. Other service providers' charges may vary, mobile calls usually cost more.

Yorkshire Building Society is authorised and regulated by the Financial Services Authority. We introduce our customers to Legal & General for the purposes of advising on and arranging life assurance and investment products bearing Legal & General's name.

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Yorkshire Drive, Bradford BD5 8LJ.
www.ybs.co.uk