

Buy for Uni

The Loughborough
Building Society



Graduate with a **home**
as well as a **degree**
with our **Buy for Uni** mortgage

**Concerned about paying high rent for
poor accommodation while you study?**

Talk to us today!

The Loughborough has a solution that could mean you can buy a house to live in with the support of your family and rent rooms to other students to cover the cost of the mortgage.

How does the mortgage work?

The principle behind The Loughborough Buy for Uni mortgage is simple. With the help of parents, a step-parent or grandparents a student can buy a house rather than pay a great deal of rent for less than great accommodation. They rent spare rooms in the house to friends or fellow students and the rental income covers the mortgage payments.

The mortgage comes with a range of options that mean family members with a variety of circumstances could make it possible for their child to become a home owner, even while in full time study.

The diagrams we've provided show three examples of how the Buy for Uni mortgage could work for you and you'll find more details in the questions and answers that follow here.

Who can apply for a Buy for Uni mortgage?

The Buy for Uni mortgage is available to 18+ year old UK resident students in Higher Education throughout England and Wales who have at least 1 full academic year remaining of the course on completion of the mortgage.

How much could I borrow?

We will lend up to 100% of the value of the property, subject to a maximum of £400,000 (minimum £90,000). We will assess your application and the actual amount you can borrow will depend, among other things, on the income that will be received from letting rooms within the property. Where there is insufficient rental income to support the mortgage, we will consider the income of the family member(s) supporting you, after the deduction of financial commitments. Acceptable family members include parent(s), step-parent and grand-parent(s).



Property valued at £200,000

Buy for Uni mortgage for £200,000 (100%)
of property value

**20% of property value (£40,000) deposited
as security in a Savings account**



Property valued at £200,000

Buy for Uni mortgage for £200,000 (100%)
of property value

**20% of property value (£40,000) secured
against equity in the family members
residential property**



Property valued at £200,000

Buy for Uni mortgage for £200,000 (100%)
of property value

**20% of property value (£40,000) covered by
£20,000 secured against equity in the family
members residential property and £20,000
deposited in a Savings account**

How much could I borrow?

We will lend up to 100% of the value of the property, subject to a maximum of £400,000 (minimum £90,000). We will assess your application and the actual amount you can borrow will depend, among other things, on the income that will be received from letting rooms within the property. Where there is insufficient rental income to support the mortgage, we will consider the income of the family member(s) supporting you, after the deduction of financial commitments.

What security is needed?

If your application meets our criteria, we will provide a mortgage on the property to be purchased. Additionally, on loans greater than 80% of the value of the property, we will also need one of the following:

1. **Security through savings:** this allows the family member(s) to use their savings to help the buyer without having to 'give' the money to them. The family member(s) deposit cash in a specifically designed savings account with the Society. The cash deposited must be equivalent to the difference between the amount being borrowed and 80% of the value of the property to be purchased.
2. **Security through property:** this allows the family member(s) to help even if they don't have spare cash but do have equity in their home. The family member agrees to some of the equity in their residential property being used as security. They would do this by giving what is called 'a legal charge' over the required amount of equity which means the Society would have specific legal rights over the family member(s) residential property.
3. Or, a combination of options 1 and 2 is available. The minimum amount of each security option is £5,000.

The security noted in the examples above can be used to make up any shortfall (loss) that arises when the property is sold. There are also other circumstances which allow the Society to exercise its rights over the security. These will be made clear when you talk to us.



What type of further support is needed?

Support is needed from a family member(s) for all Buy for Uni mortgages. There are two types of support that will be required depending on your circumstances:

- A guarantee to pay any shortfall in the monthly mortgage payment amount. This is an income guarantee; and/or
- A charge on assets owned by the family member(s). This could be cash held at the Society or spare equity in the family members residential property or a combination of the two as described earlier.

In order to ensure the family member(s) providing support understands their obligations we will provide documents setting this out clearly and will also ask that independent legal advice is sought. The family member(s) doesn't have any legal right to the property and their name doesn't appear on the deeds.

What sort of property is acceptable?

The property must be in England or Wales and within a 10 mile radius of the University attended. It must have a maximum of three bedrooms. There are some properties we won't consider, for example ex local authority flats, studio flats that don't have a separate bedroom and bathroom and flats in London.

Who can I let rooms to?

We won't allow more than three occupants, including the mortgage holder. The other tenants don't have to be students but tenancies must be granted under an Assured Shorthold Tenancy agreement.

What happens when the borrower finishes their course?

The Buy for Uni mortgage is designed specifically to enable the borrower to take ownership of a property while they are studying. Once their studies come to an end their future intentions will affect the mortgage.

Whether they intend; keeping the property as their personal residence without tenants, continuing to live in the property with tenants or moving out and converting the mortgage to a Buy to Let they will need to contact us to confirm their decision.

The potential options available to them will depend on their individual circumstances.

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

Telephone

01509 631950

Go online

www.theloughborough.co.uk



**The Loughborough
Building Society**

The Loughborough Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Financial Services Register number: 157258

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