

Mortgages

Joint Mortgage Sole Proprietor

Customer Brochure

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

Newcastle Building Society Principal Office: 1 Cobalt Park Way, Wallsend NE28 9EJ. Newcastle Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Newcastle Building Society is entered in the Financial Services Register under number 156058. You can check this on the Financial Services Register or by contacting the Financial Conduct Authority on 0800 111 6768. Call 0345 734 4345 or visit us online www.newcastle.co.uk ADV043 (February 2025)

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At Newcastle Building Society, helping people own their home is one of our biggest priorities.

We are committed to providing products and services to support you, our valued customer, in making home ownership a possibility.

Our Joint Mortgage Sole Proprietor (JMSP) could help you get onto the property ladder or even purchase a home later in life or following a change in circumstances, by using the income of a family member to increase your borrowing capacity.

This brochure provides detail as to how our JMSP mortgage will work and how this will benefit you.



What is a Joint Mortgage Sole Proprietor mortgage (JMSP)?

JMSP uses the income of a family member in order to increase your borrowing capacity. By combining both your income and that of a family member means that you can borrow more.

Our product means adult children can utilise the income support of their parent and vice versa meaning that by combining family incomes in the short term it will enable more borrowers to achieve home ownership easier and quicker.

Our JMSP allows one family member to be added to the mortgage in order to support a single occupying borrower meaning there can be two borrowers named on the mortgage. The ownership of the property however would be solely in the name of the occupying borrower – the non-occupying borrower would not be named on the property ownership at all.

For the avoidance of doubt a family member is defined as a close family relative normally a parent or step parent.

We know how important getting the right mortgage deal is for you.



Key Features of a Joint Mortgage Sole Proprietor mortgage

- Available on residential properties only – will not be made available for Buy to let properties.
- Borrow from £25,000 to £1,500,000 (subject to product terms and conditions)
- Max Loan to Value 95 %
- Minimum age for either borrower is 18 years
- Maximum age for either borrower is 80 years at the end of the mortgage term
- Affordability is calculated using both the incomes of the occupying borrower and non-occupying borrower.
- Any outstanding financial commitments (include existing mortgage repayments) will be deducted from any affordability assessment.
- Loans will be made available on a capital and interest basis only.
- For the purpose of any additional funds being borrowed over the original loan, the amount must only be for the purpose of home improvements. Debt consolidation is not permitted.

Who is the mortgage suitable for?

- Adult children whose income will rise in the future and for a short time need the support of a family member to get onto the property ladder.
- Older borrowers whose circumstances have changed and require the support of a family member to continue to live independently.

There can be a maximum of two borrowers named on the mortgage including the non-occupying borrower however this person should not reside in the property.

We will lend you up to 95% LTV meaning a minimum of 5% deposit is required.

We have specific products available to support this mortgage need and details of those products can be found at:

www.newcastle.co.uk

Who owns the property?

Only the occupying borrower will be listed as the legal owner on the title deeds.

Whose name will appear on the mortgage?

The names of both the occupying borrower and the non-occupying borrower will be listed.



Independent Legal Advice

Both the occupying borrower and non-occupying borrower are jointly and equally responsible for the mortgage. This means that if any party is unable to pay the mortgage for any reason then both the borrower and non-occupying borrower are entirely responsible for both a) the mortgage repayments and b) repayment of the entire mortgage balance. Joint responsibility also extends to ensuring that there is a suitable buildings insurance policy permanently in place and also general maintenance and upkeep of the property.

By being part of any mortgage means your borrowing capacity may be affected and depending on circumstances, there may also be implications to Capital Gains and Inheritance tax amongst others.

It is therefore recommended that the non-occupying borrower seeks independent financial and legal advice prior to taking out the mortgage. The Solicitor appointed should not be the same Solicitor responsible for the conveyancing work on the property. Any costs incurred for this advice would be payable by the non-occupying borrower.

This will be a condition of the Mortgage Offer.

What happens if there is a change in circumstances?

If your circumstances change and you wish to remove the non-occupying borrower from the mortgage then we will happily consider any requests.

Any requests to transfer the non-occupying borrower from the mortgage will be considered providing the remaining party meets all aspects of our lending policy at the point of application and their income is sufficient from an affordability perspective to support the loan in their own right. (A fee may be charged to cover our administrative costs).



Important things to consider

Both the occupying and non-occupying borrower are both jointly and equally responsible for both the entire mortgage borrowing and the full monthly repayments.

This means that we can enforce our rights against both of you individually or collectively.

Therefore it is advised that you consider the following points **before** making an application for this type of mortgage.

- The non-occupying borrower will not be living in the property or classified as an owner of the property. However they will be named on the mortgage and therefore will have full responsibility over the mortgage borrowing.
- As the mortgage is a long term commitment both parties need to be comfortable that any material changes to your financial circumstances will not impact on your financial ability to support this or any other borrowing.

- This financial commitment will appear within any future credit searches.
- Any changes to either borrower's circumstances does not change their full financial liability towards this mortgage. This includes and is not exhaustive to:
 - The death of the occupying borrower will result in the non-occupying borrower continuing to have full responsibility to make mortgage payments until the property is sold.
 - If either party loses their job or reduces their income then any shortfall is the responsibility of the other borrower even if that is the non-occupying borrower.
 - Changes to health which may impact on the occupying borrower being able to make repayments will fall to the responsibility of the non-occupying borrower.
- Any family dispute that may occur between the two parties does not subsequently mean that the responsibility to ensure payments are maintained is absolved.

