

Answering Your Questions about the Early Repayment Charge (ERC) Waiver

Do I have to pay my mortgage back now?

No. You do not have to sell your home or property or move your mortgage to another lender. You can carry on paying your mortgage with Bradford & Bingley or Mortgage Express until the end of the term as per your original loan agreement. However as we are no longer able to offer any new mortgage deals, you may be able to find a more competitive mortgage deal with another lender.

Why are you doing an ERC waiver?

Since Bradford & Bingley plc was nationalised in September 2008, we have been unable to lend new / further funds and we have become a mortgage servicing company. Our business objective is to pay back money that was borrowed from HM Treasury and the Financial Services Compensation Scheme at that time by winding down our existing mortgage book through mortgage redemptions.

The ERC waiver helps achieve this by allowing customers who are subject to an ERC to sell their home, remortgage to another lender or make capital repayments without having to pay the ERC.

Why has the offer come back?

Following the end of the previous ERC waiver in June 2009, we have been conducting an extensive review of the activity and analysing the success of the offer. We have found it to be a highly effective way of helping customers to redeem their mortgages, which supports our new business objective.

When will the offer end?

We anticipate the Early Repayment Charge waiver being available indefinitely. However we reserve the right to withdraw the offer in the future. If we do decide to withdraw this offer, we will give you at least 3 months prior written notice.

How can I get a better mortgage deal or get mortgage advice?

Bradford & Bingley or Mortgage Express cannot offer any advice on the suitability of any products. If you want to seek independent mortgage advice before taking any action and have an existing relationship with a mortgage advisor, then please contact them directly.

Alternatively, if you do not have your own adviser or broker, we have teamed up with some of the country's leading mortgage brokers. They have specialist advisers who would be happy to help find the right option for you. As an added incentive, they have agreed to waive their usual advice fees for customers that we refer directly. Simply call us on the number shown in your letter and we will put you in touch with them directly.

Before taking up this offer where do I find information about my current mortgage account?

You can find all the details about your current mortgage account (for example, what rate you are paying, when your ERC period ends, what rate you will pay at the end of your current mortgage deal) on the offer document we sent to you when you took out your mortgage or accepted your current mortgage deal. If you cannot find these documents then please call us on the number shown in your letter and we will help you.

Although our contact centre is open from 9am - 6pm Mon - Friday and 9am - 1pm Saturday, we anticipate that during the period of this mailing our call centre may experience a high volume of calls. While your call is important to us and we will try and answer your call as soon as we can, we suggest that calling during our quieter periods of 9am to 11am or 3pm to 6pm Monday to Friday will reduce any waiting times to a minimum.

How can I check how much I currently owe on my mortgage?

You can find out approximately how much you owe by referring to your most recent mortgage statement. If you are selling your property or remortgaging to another lender you will require a redemption statement.

However, because we expect call volumes to be high, please only call us for a redemption statement if you are planning to sell or remortgage your property.

I am planning to remortgage to another lender, what should I do next?

If you want mortgage advice and you have an existing relationship with a mortgage broker we recommend you speak to them in the first instance. If you do not have a relationship with a mortgage broker please contact us on the number shown in your letter and we can put you in touch with one.

Alternatively you can always search the mortgage market yourself and go direct to a new lender. Your balance on your most recent mortgage statement and the deal information contained in your last mortgage offer is enough information to start the remortgage process.

I am planning to sell my home / property, what should I do next?

Simply put your property on the market. Your most recent mortgage statement will give you an idea of the amount you currently owe on the property. When you need a more accurate mortgage balance please contact us for a Redemption Statement.

What counts as a capital repayment?

A capital repayment is a single lump sum payment that permanently reduces your mortgage balance.

I am planning to make a capital repayment, what should I do next?

The simplest way to make a capital repayment is to post a cheque payable to either Mortgage Express or Bradford & Bingley Plc (depending on which mortgage you have) to the following address. Please remember to write your account number after the payee name.

Bradford & Bingley Cashiers Department (H41)
Croft Road,
Crossflatts,
Bingley
BD16 2UA

The minimum capital repayment you can make is £500. Please note the following:

- Repayment mortgages – please state whether you would like the amount paid to either reduce your term or reduce your monthly payment.
- Part repayment and part interest only mortgages – please state which part of the loan you would like to reduce. If you choose the repayment part please also state if you would like the term reducing or your monthly payment reducing, as a result of the payment.

Should I be using existing savings or investments to reduce my mortgage balance?

You may find that with current low savings rates you could save money by making a capital repayment on your mortgage. However cashing in existing savings or investment plans should be considered carefully. We recommend that you speak to a financial adviser before taking any action. If you do not have a financial adviser you can find one local to you by visiting www.unbiased.co.uk

I am currently selling / remortgaging and expect to complete before 1st February 2010. Will you waive my Early Repayment Charge?

No. We will only waive an Early Repayment Charge if you remortgage to another lender, make a capital repayment or pay off your mortgage after 1st February 2010.

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