HLPDemo

HL Partnership Limited
Pharos House
67 High Street
Worthing
BN11 1DN

9th July 2020

Dr Test Date

102 East Avenue
Leicester
LE2 1TE

Your reference: 4085176

Dear Test

Following our recent meetings / telephone conversations, I am writing to thank you for using HLPDemo and to confirm the advice I have provided. Firstly, I would like to confirm that during the meeting, I provided you with disclosure about our services and charges, and information about how we handle personal data.

**Summary of Discussions**

During our discussions, we talked about your current situation and plans for the future. This information was recorded in a Fact Find document and you have agreed that this information is a true and accurate reflection of the facts.

From what you have said, you told me that you are planning to purchase a new home. You do not currently have a property and are planning to buy a property for £130,000.00. You have told me you require a mortgage of £80,000.00 in order to complete the purchase and ensure you have enough money for furnishings, decorations and fees.

From the documents and information you have provided during our discussions, we have undertaken a detailed analysis of your income and expenditure. Based on the information supplied about your current circumstances, I have assessed that the mortgage / insurance you are applying for appears to be affordable. Please be aware that when applying for a mortgage, the lender will carry out a similar analysis but based on their specific policies and criteria. This could mean that their opinion about the affordability of the mortgage may differ from ours.

**Repayment Method**

We discussed the various repayment options available to you and I recommend you take a full repayment mortgage. This means that your mortgage payments will pay the interest and reduce some of the capital every month so that your mortgage will decrease over time. As long as the monthly payments are maintained, the mortgage will be guaranteed to be repaid by the end of the mortgage term.

**Mortgage Term**

From our discussions, a term of 25 years is the most appropriate for your circumstances. This was selected because INSERT REASON. You have confirmed you are comfortable paying the mortgage over this term.

**Recommendation**

In order to reach my recommendation, I have considered the above Needs and Preferences and compared this to what is available in the market. I am pleased to recommend the following mortgage(s):

|  |  |
| --- | --- |
| Address: | 122 Drake House, Sir Francis Way |
| Lender: | Barclays |
| Scheme: | Fixed |
| Description: | 2 Year Fixed £999 Fee Purchase |
| Loan Amount: | £80,000.00 |
| Term: | 25 |
| Type: | Purchase |
| Initial Rate: | 1.21% |
| Monthly Payment: | £313.02 |
| Lender Fee:  | £56.00 |
| Early Repayment Charges: |  |

The reason I have selected this product and lender is FREE TEXT REASON.

This was the cheapest mortgage available to you based on your circumstances and the requirements stated later in this letter. or This was not the cheapest mortgage available based on your circumstances and requirements but I have chosen not to recommend the cheaper options because FREE TEXT REASON. DELETE AS APPROPRIATE

**Mortgage Type**

During our conversations, I have explained the different mortgage types available and their individual advantages and disadvantages.

You told me that you would like the stability of having payments that would not be subject to change for a period of time. You are aware that although your payments will not rise during the fixed rate period, if interest rates go down, you would not benefit from lower payments. You are also aware that the fixed rate will end after a period of time, and I have recommended Justify Term e.g. a 3-year deal because....

From our discussions, you told me that the following were also important to you:

Choose from the following / Delete as appropriate

* No tie-ins after the introductory period
* Access to an initial sum (Cashback)
* No Early Repayment Charges during the introductory period
* No Higher Lending Charge
* The ability to vary repayments or take a repayment holiday
* The ability to add fees to the loan
* The need for a quick completion
* Free Valuation / Valuation Fee Refunded
* Free Legal Costs / Legal Costs Refunded

Some of your preferences listed above were not available when sourcing your mortgage. Those preferences are LIST PREFERENCES NOT MET. The reason it has not been possible to satisfy all your preferences is FREE TEXT REASON. The mortgage I have recommended meets your needs and you have told me you are happy to proceed on that basis. DELETE AS APPROPRIATE.

I have provided you with a Mortgage Illustration document which details the costs over the term of the mortgage; I advise you to read this carefully. We have had a detailed discussion surrounding affordability and I have analysed your household income against your committed outgoings, basic essential expenditure and basic quality of living expenditure. I have used the expenditure figures you supplied in order to calculate the affordability of the mortgage. If these figures have changed since our meeting, please let me know as inaccurate figures may mean the mortgage is unaffordable. It is also important to understand that different lenders have different methods of reviewing affordability and may require additional or more detailed information. You have confirmed that this mortgage affordable and that you understand that you are responsible for maintaining the monthly mortgage payments at all times. I have explained that your property may be repossessed if you do not keep up repayments on your mortgage.

My recommendation has been made in good faith based upon the information you supplied during our meetings so it is important that you have disclosed to me all information which could be relevant to this application. Any non-disclosure may mean the mortgage is not suitable or could mean the lender declines the application.

I can confirm that your requirements appear to be within the lender’s known eligibility criteria. Whilst every effort has been made to ensure this mortgage is suitable and within the lender’s specified criteria, ultimately the decision to lend will still be subject to the lender’s overall assessment of your circumstances (known as underwriting) which is outside of my control.

**Changes to Personal Circumstances**

Choose from the following

You have confirmed there are no planned changes to your circumstances which may affect the affordability of this mortgage. If there are any unforeseen changes, you must ensure you have adequate provision to continue your mortgage payments. DELETE AS APPROPRIATE.

OR.

You have confirmed there are some planned changes to your circumstances which may affect the affordability of this mortgage. The changes are INSERT DETAILS. These will affect the affordability because FREE TEXT. I have assessed these changes and from the information you’ve provided, can confirm this mortgage will still be affordable. However I have made you aware that if the changes affect your income or expenditure more than you have predicted, this may impact on the whether you can continue to afford the mortgage.

**Fees**

Either

I have explained the costs and fees associated with this mortgage which are confirmed on the product illustration. You have specifically told me that you wished to add fees to the mortgage rather than paying these upfront. This is because JUSTIFY ADDING FEES TO MORTGAGE. I have explained that adding fees to the mortgage will attract interest at the same rate as the mortgage over the full term of the mortgage, thereby costing considerably more. I have advised you not to add the fees to the mortgage if you are able to pay them upfront however you have expressly confirmed to me that you want these to be added to the loan.

Or

I have explained the costs and fees associated with this mortgage which are confirmed on the product illustration. You have decided to pay all the fees up front rather than adding them to the mortgage. This avoids the fees attracting interest over the life of the mortgage however you may lose some or all of these fees if the mortgage does not go ahead for any reason. Please ensure you read the fees section of the illustration which explains the refund policy before going ahead.

**Property Value**

You told me the property value is £130,000.00. I have based my recommendation on this estimate however the lender will need to complete a valuation to ensure that this is realistic. The value of your property is the security for the lender so the closer the loan amount to the property value (known as Loan-to-Value or LTV), the more risk is posed to the lender. High Loan-to-Value mortgages may incur higher fees, higher interest rates and fewer lenders willing to lend. In this respect, if the estimate is too high, it could mean that my recommended mortgage is not available and could mean that you lose the valuation fee. Unfortunately, I am unable to advise you whether your estimate is accurate as this can only be accurately assessed by a specialist valuer.

**Important Information:** During our meeting we may have discussed areas relating to taxation, such as stamp duty or inheritance tax. I have explained to you that I am not able to nor have I given you advice in relation to tax matters. If you are unsure about your personal tax liabilities either now or in the future you should seek the advice of a taxation specialist or check with HMRC.

**Next Steps**

You have confirmed to me that you are happy with my recommendation and wished to proceed with the mortgage application. I have therefore accepted your instruction to submit the application to the mortgage lender and act on your behalf to proceed to completion.

As part of the mortgage process, the lender will need to complete a number of checks before issuing a formal mortgage offer. These include a credit check which will be noted on your credit history and may be visible to other credit providers. You have told me you understand this and are happy for the lender to conduct their checks.

There will also need to be a valuation of your property which is likely to involve a valuer visiting the property to carry out an on-site inspection. The lender may also need to contact your employer for a reference and may also request additional information from you. Naturally, I have tried to pre-empt the lender’s requirements as far as possible.

**Life Protection**

We discussed ensuring the mortgage was covered in the event of death and you told me you did not want to review this at the moment. The reason for this was Insert reason for not taking life cover.

**Critical Illness/Serious Illness Cover**

We discussed the importance of ensuring you were adequately covered in the event of a critical / serious illness and you told me you did not want to review this at the moment. The reason for this was Insert reason for not taking critical illness cover.

**Income Protection Cover**

We discussed the importance of ensuring you had sufficient cover to maintain the mortgage payments in the event of you suffering an accident or sickness and you told me you did not want to review this at the moment. The reason for this was Insert reason for not taking income protection.

Thank you for arranging your financial products with HLPDemo and if you know anyone else who would like advice, please feel free to pass on my details.

Yours sincerely,



DemoUser12

HLPDemo

Please sign, date and return one copy of this letter. Please keep the other copy as a record of our discussions.

|  |  |
| --- | --- |
| Signed: | Signed: |
| Print: | Print: |
| Date: | Date: |

**Important Warning:** Please be aware of cybercrime. Do not respond to emails asking you to pay money. Never make a payment purely in response to an email. Always call the company to validate any payment requests and check the phone number independently from the email (i.e. via a secure web site). If you receive a phone call asking for payment ensure you are satisfied the call is genuine, or else call the company back to check. Please note we will not take responsibility if you transfer money to a fraudster in error.