

The image features a red and grey abstract background with various geometric shapes, including a large curved grey shape on the left, several overlapping arrows in dark red, light red, and white, and several jagged line graphs in white and light blue. The 'blueprint Protect' logo is positioned in the top left corner.

blueprint
Protect



Guide to our Mortgage & Protection Services

Providing an affordable, sustainable and understandable
solution that meets your needs and circumstances

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YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR ANY OTHER DEBT SECURED ON IT. THINK CAREFULLY BEFORE SECURING OTHER DEBTS AGAINST YOUR HOME.

The purpose of this document is to:

- Provide information about our mortgage and protection services so that you know what to expect when working with us.
- Give reassurance about our advice process, with clear explanation of technical terminology.
- Link to our Terms of Business document, where more specific information can be found regarding our fees and services.



How will **we** do this?

We aim to do this by helping you understand:

- What types of property finance and insurance we can help you with
- The value we add to you now and going forward
- The marketplace we review in order to deliver our advice, research and recommendations
- The importance of protecting you and your assets
- How to preserve your estate
- The importance of reviews
- Fees and costs

Other documents we have to help you:

- **Terms of business** – this sets out your adviser's areas of advice, services and fees
- **Suitability report** – a summary of our recommendations for you
- **Mortgage illustration** – gives you all the information you need to know about your recommended loan. This document might also be known as a 'Key Facts Illustration Plus' (KFI+) or as an 'European Standardised Information Sheet (ESIS)'
- **Authority to proceed** – confirms the service we will provide to you now and ongoing, as well as the agreed level of any associated fees
- **Factsheets** – to help you understand more about the process and terminology in your area of interest (e.g. remortgaging your property, buying your new home, borrowing to invest in rental property).



The new world of mortgage advice

The mortgage market is forever changing, both in terms of the offers available, regulation by the Financial Conduct Authority, and how lenders assess loan applications.

The biggest recent changes have been in the way mortgage lenders assess the suitability of all clients for the different types of loan on offer. They base this decision on a variety of factors, primarily:

- 1. The property** – type, condition, access and location
- 2. Employment status** – amount and frequency of income (and time in your current role)
- 3. Financial commitments** – current and future (and your history of managing credit).

There is now more focus on affordability and expenditure. This is very different to the traditional approach of simply multiplying your annual personal (or rental) income by a pre-set multiple to obtain a maximum lending amount.

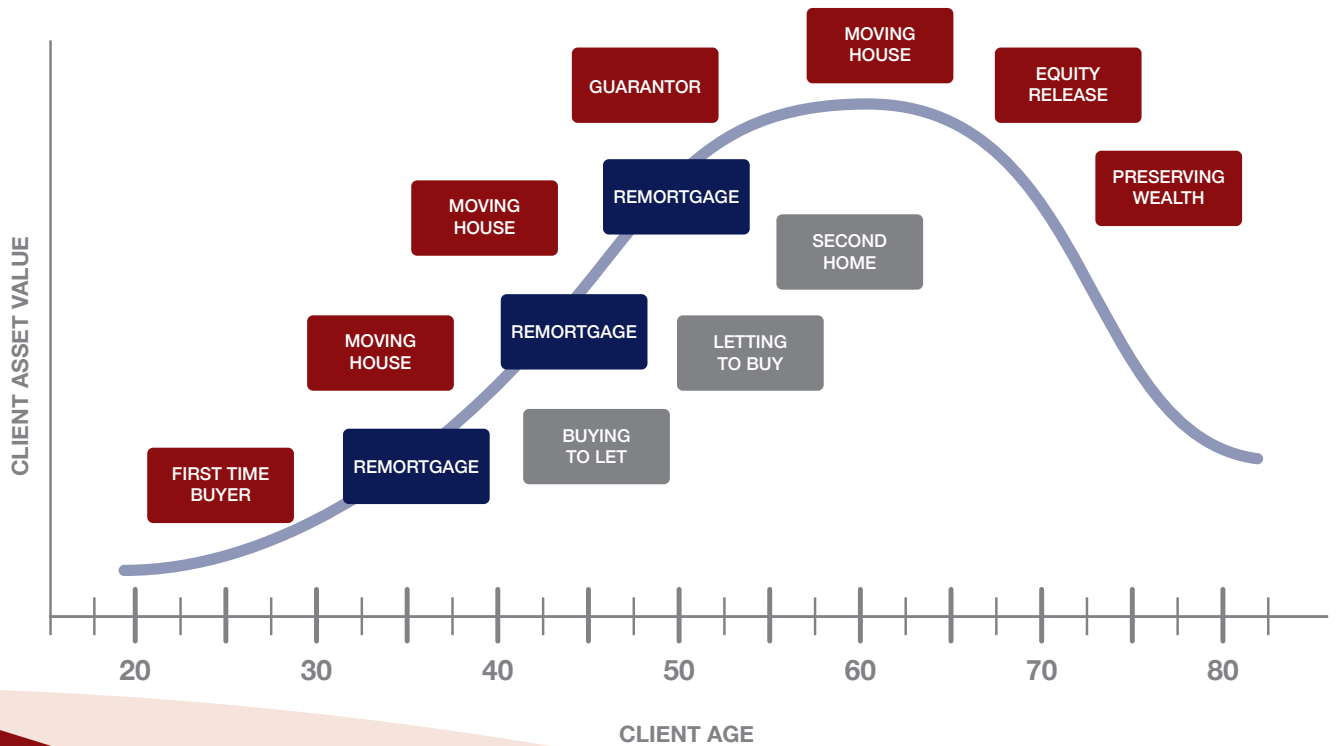
We pride ourselves on being up to date with regulation, legislation and the economic market.

We understand your needs, match that to the requirements of lenders, and protect you and your loved ones once you have obtained your property.

This way, we help you save time and money in the new world of mortgage advice.



The stages of financial life where **we** can help you



Protecting wealth

Protecting assets

Preserving wealth

Financial life stages

First time buyer	>	You want to get on the property ladder, and own your own home.
Moving house	>	You need a bigger house, have to relocate or 'downsize' to a smaller property.
Remortgage	>	You do not want to lose money unnecessarily by paying too much for your current loan arrangements, or any future consolidation or increases.
Buying to let	>	You want to invest directly in property and become a landlord.
Letting to buy	>	You want to turn your current home into a house that generates income.
Second home	>	You need a home for holidays, a split job location or a possible future home for your children's further education.
Guarantor	>	You want to help someone else obtain their own home by using your financial stability.
Equity release	>	You need to use the value in your property to help provide income.
Preserving wealth	>	You want to preserve the value of your estate for the benefit of your family.
Protecting wealth	>	You need to protect you and your family's standard of living against the unexpected.
Protecting assets	>	You need to protect your buildings and belongings against the unexpected.

Our Terms of Business will clarify the areas of advice covered by your specific adviser.



How **we** add value

Besides providing leading edge mortgage and insurance solutions, our services add value to our clients by helping them to:

- Not lose money unnecessarily by paying too much for their current borrowing.
- Use the correct amount of deposit to secure the best interest rate offering.
- Avoid paying hefty early redemption penalties or administration costs by partial loan repayments during the mortgage term.
- Check how best to structure the term of any borrowing, in connection with your age, objectives and retirement plans.
- Understand the risks associated with different repayment types (i.e. repayment versus interest only).
- Not waste time and money with lenders and providers that appear attractive at first glance, but would ultimately not accept them due to strict underwriting criteria (e.g. income sources, deposit size, frequency of income, existing debt, property type, expenditure commitments, credit history would not suit the lender's appetite for risk).
- Review how best to use their existing provisions while recommending any suitable new solutions.
- Not waste money by paying too much for insurance to protect their assets.
- Place their insurance in the right name, ownership and trust so that they legally and ethically do not pay too much tax when they pass on their estate.

The financial world can be extremely complex

“It is not as simple as looking for the lender with the cheapest rate, or insurer with the cheapest premium.”

Yes, the interest rate or premium is key as a starting point. However, how might that change in the short, medium or long term?

We undertake a comprehensive review of other key factors that impact the real cost to you.

For example, some lenders have arrangement fees that can be large enough to make the overall cost of lending unattractive when compared to others.

Other key features of mortgages that can decide the most appropriate solution for you are:

- **Early repayment charges** – if you wish to part or fully repay during its term.
- **Portability of the loan** – in case you move, you may wish to retain this deal.
- **Fixed Rate** - would you benefit by fixing the interest rate with the lender for a set period?
- **Annual percentage rate (APR)** – what is the real cost of borrowing, not just the interest rate charged?
- **Flexible features** – the ability to over pay, take payment holidays or switch repayment types.
- **Frequency of interest additions** – how often the interest is added to your loan can impact the real cost of borrowing when repaying your loan (e.g. daily, monthly, annually).
- **Insurance is very similar.** We will provide advice so if you ever need to claim, you will receive the amount and frequency of payment you and your dependants were expecting.

That is why analysing and monitoring the enormous diversity of products is important. It ensures you do not miss out on getting the best solution.

Your peace of mind and protection

We subscribe to and abide by a number of laws, regulations and legislation for your protection, confidentiality, and security.

These include:

- **The Financial Conduct Authority (FCA)** – our regulator. We will tell you if any product or service recommended is not regulated by the FCA.
- **The Financial Services Compensation Scheme (FSCS)** – for financial security.
- **The Data Protection Act (DPA)** – for confidentiality.
- **The Financial Ombudsman Service** – an independent and impartial body to help resolve complaints between financial businesses and their customers.
- **Law** – all our agreements are in accordance with the laws of England and Wales. Please be aware that laws concerning property, conveyancing, trusts and Power of Attorney can alter depending whether you are in Scotland, Wales or Northern Ireland.
- **Financial crime** – we support the Proceeds of Crime Act, and all efforts to eliminate money laundering.
- **Other interests** – we pride ourselves on being impartial, and to avoid any doubt will share any possible conflicts with you.
- **Loans and ownership** – we want you to know who owns us.

Further details on all these topics can be found in our Terms of Business document, which must be read in conjunction with this Guide To Our Mortgage and Protection Services.

Our advice promise and charter

We will:

- Deliver a high quality advice service
- Continually improve the professionalism of all our people
- Welcome and acknowledge any feedback, recommendations and referrals you provide to us.



Our process for providing quality advice

1. Understanding you

By gathering information from you, we get to understand your needs fully. We also get to know what provisions you have in place already that you may utilise to secure your desired finance or level of protection.

This stage also allows you to understand what to expect from us and how you will benefit from using our services.

2. Planning

We'll explore and research various scenarios and options that will reveal how best to utilise your existing provisions.

We will then make recommendations as to how to secure the best finance or protection. We build upon your current plans, to help maximise the chances of you achieving your objectives both present and future.

You will receive clear details on what the total fee is, the advice or services it relates to, how it has been calculated and when it is due to be paid.

3. Implementation

Here's where your vision becomes reality.

Most of our clients prefer us to complete, check and manage the documentation required for them to put 'Your Plan' into action.

This saves them a lot of time and energy, and makes sure plans are set up in line with your needs and expectations. A range of fees are available to support this service.

You may though decide you wish to implement our recommendations yourself, and simply pay a fee for our time and expertise.

4. Refine

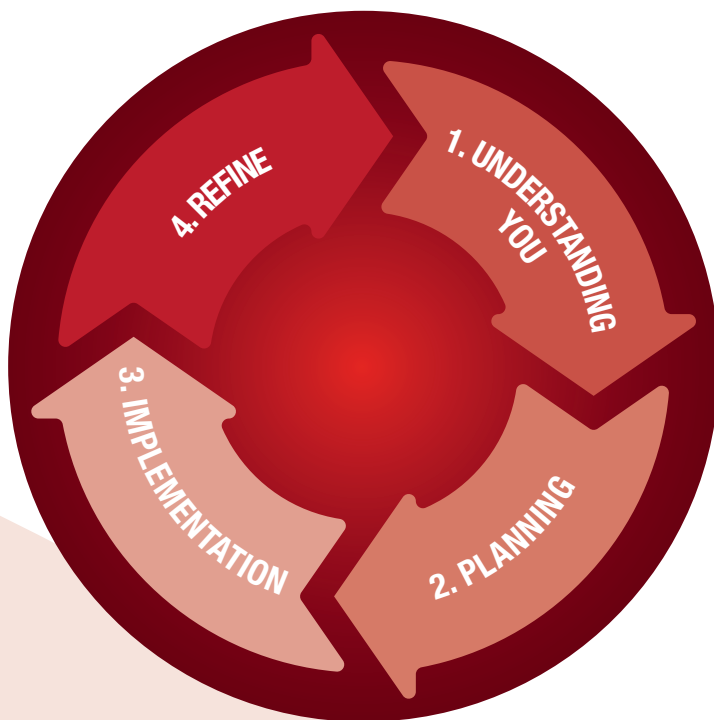
We believe all our clients benefit from a check of their circumstances, with the style and frequency decided by you.

It is often dictated by where you are on your life stage, as well as your relative level of wealth.

Most clients like to be contacted at least once a year to ensure they are not unnecessarily impacted by any of the UK Government Budget announcements, or interest rate movements.

You will also hear from us during the year when we feel something will be of interest to you.

Please note, you will be under no obligation to implement any recommendations we make through this firm but an advice charge may still be levied for the work undertaken.



The marketplace **we** review on **your** behalf

MORTGAGES:

- We provide a review service which is representative of the whole of the market.
- After we have assessed your needs, we will advise and make recommendations for you.
- Our recommendations will be made on a comprehensive and fair analysis of the mortgage market.

A lender will decide three key factors:

1. Whether they will lend to you,
2. How much they will lend to you
3. That your proposed method of repaying the loan by the end of the term is reasonable.

Finding the most appropriate lender for your circumstances, we save you time by researching the market and only approaching the providers most suited to you. This also avoids unnecessary credit checks that can leave an unhelpful 'footprint' on your credit history.

Our extensive lender panel represents the whole of the market and we work hard to ensure that new lenders are added to that panel when they launch into the market.

This means that, if one lender changes their underwriting criteria during our application process, we are able to quickly approach other lenders who would consider your situation.

By being part of Intrinsic, we also get access to market-leading exclusive and semi-exclusive rates for both residential and buy-to-let lending.

This is in part due to their size in the mortgage market, with over £11 billion pounds of lending completed for over 95,000 clients each year.

You may require more specialist advice. In areas such as complex prime, self-build, and overseas lending, we can assist you. In areas such as commercial, secured loans, bridging finance and asset finance, we are proud to have sourced a panel of market-leading lenders and specialists that we can refer you to who will help you directly.

Our role is to help you:

- not waste money unnecessarily by paying a higher monthly amount than you need to for your borrowings
- save time and effort by recommending the most appropriate solution to your needs
- not miss out on the most cost effective way of arranging your loan.

Types of mortgage

There are essentially two ways that a mortgage is set up and repaid:

1. Repayment: both interest and a portion of the capital is being paid by each payment
2. Interest only: you are paying only the interest on the money you have borrowed.

You may also benefit from placing part of your loan as repayment and the other part as interest only.

We will advise you on the best course of action.

Interest rate options

- The simplest form of loan is one which sets its interest rate according to the lender's standard variable rate, or SVR.
- With a loan like this, your interest payments are likely to rise or fall every time there is a change in the Bank of England's base rate. However, lenders don't always pass on the change in base rate. This can be to your disadvantage if the base rate falls but your SVR interest rate does not.
- There has been much innovation in the market in order to offer different options other than SVR. Partly driven by market forces to attract more clients, and partly in response to the needs of clients. There are now a wide range of different interest rate options to match your needs.
- Every type of interest rate option has pros and cons.

The problem is in deciding which option is best for you?

- Discounted rate or tracker mortgage?
- Fixed rate or capped rate?
- Offset mortgage, current account mortgage or flexible mortgage?

- What is a 'droplock'?

As you can see, deciding is not easy. By understanding your needs and objectives, we shall advise you of the best options to ensure you:

- do not waste money by paying a higher monthly amount than you need to initially
- save time by choosing the most appropriate method of interest option
- do not choose an option that does not provide the flexibility you may require at the end of any initial period.



Protecting **your** assets

You will most probably be familiar with how you protect your property, using buildings and home contents insurance. Are you as familiar with protecting your greatest asset – **YOU?**

A mortgage is likely to be the greatest financial commitment most people make. Your home (or buy-to-let investment) is still reliant on income being generated to support payment of the loan.

Events that could stop you getting your income to then pay your loans

- Short-term illness
- Redundancy
- An accident
- A serious illness – such as cancer, stroke or heart attack
- Death
- Any of the above happening to your tenant in your buy-to-let.

You will probably have some existing plans and provisions (e.g. savings) in place already to help towards safeguarding this.

How long will your current provisions last?

Our first step is to reassure you about this, recommending how best to use your current provisions.

Should we discover the need to research some other solutions, we will do so while being ever mindful of your objectives and budget. For example, once you are legally committed to purchase, it is important that you have the correct level of cover in place from that point onwards, rather than completion.

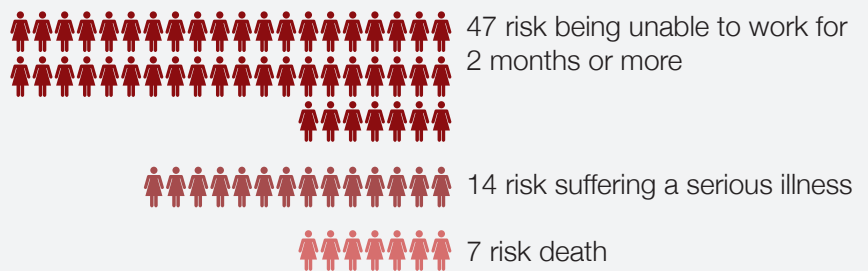
So, is protection only about the mortgage?

The first aim of protection is to help you keep your home (or property).

The second aim is to maintain you and your family's standard of living should one of the events mentioned earlier happen.

That said, it is unusual that a lender will make it compulsory to take out life assurance or other forms of protection.

Out of every 100 forty year old females (non smoking)



This illustrates the chances of a 40 year old (non smoker) female experiencing some key events before age 67 (Source: LV= Risk reality calculator)

- We want to help you get the right quality of cover for your needs within your budget.
- After we have assessed your needs, we will advise and make recommendations for you.
- Our Terms of Business will confirm the market place that we review on your behalf.

Preserving **your** estate

“Ensuring the right money goes to the right people at the right time”

If any of the following areas are of concern, we can ensure a specialist helps you. We will advise you whether that specialist is part of Blueprint South West or not (e.g. will writing services are not provided by Blueprint South West).

Why do I need a will?

Having a will is the only way to be sure that your estate is dealt with exactly as you wish when you die. It is not as simple as your entire estate automatically passing to your spouse.

If you do not have a will, the law of the country you live in will decide what happens to your estate. The outcome can be influenced by laws of other countries where you may have assets, or have lived in the past. This can take a long time to resolve. Key topics that influence the law's decision on where your estate is passed without a will are:

1. The value of your estate
2. Whether you have children
3. If you are currently married.

A will also ensures that children or dependents are looked after in accordance with your wishes.

Inheritance tax is only for the super-rich, so I do not need to worry!

Turning a house into a home is a thing to cherish, and takes time. Your home is also likely to be the biggest single asset in your financial estate. As a result it can impact how much of your estate is passed on to your loved ones in the event of death.

Inheritance tax is payable on death, but can also have to be paid during your lifetime depending, on how you 'gift' away assets. Each year the UK Government reviews the tax rates payable, the reliefs available, the amounts over which it becomes payable and how it treats gifts during your lifetime.

It is important to plan each year and check that your estate is passed legally and ethically to your loved ones without a major part being paid to the tax man.

Trusts – what do they do?

A trust is a legal deed that ensures the asset placed inside it is treated in a specific way for taxation and access.

For example, a trust helps ensure that life cover is paid out quickly to those who need it, and often without impacting taxation issues. By placing life cover in trust, the proceeds can be placed outside your estate for inheritance taxation treatment.

We strongly urge all our clients to consider this option.

Lasting and enduring power of attorney

This allows you to grant somebody else the power to act on your behalf.

There are different types depending on where you live, what types of decisions you want to use it for, and when you want to use it. For example, some cover property and financial decisions, and others cover your health and medical well-being.

Please note that advice on taxation, trusts, power of attorney, wills, and will writing are not regulated by the FCA.

Regular Meetings

You do not have to choose an ongoing service with us, although clients tell us they do benefit from some form of relationship with us.

The style and frequency of our ongoing service is decided by you, and often is dictated by where you are on your life stage, as well as your relative level of wealth.

Most of our clients like to have planning meetings once a year, or near the end of a special term on their mortgage because:

- Protection products and prices on offer can change, new innovations produce more suitable solutions, and better claims history can impact pricing positively
- Property prices change, affecting the level of a property's equity. There is also an almost daily change in the mortgage products in the UK market. By not reviewing, a client could miss out on a better mortgage deal that may not have been available at the time of their last review
- Changes in income and expenditure (as well as inflation) can impact the real value and financial impact of any insurance and protection clients may have in place.

There are 3 key elements to our service:

1. Keeping you informed:

- Only sending you pertinent information that we feel is of benefit to you (and not spamming or overloading you!)

2. Regular meetings:

- The opportunity of a 'milestone check' that your plans are the most effective way to achieve your objectives today and in the future.

3. Personal safety net:

- Making sure that any personal changes in income or the value of assets you own are not adversely effected by announcements in the UK Government's Budget (e.g. changes in welfare, or income, capital gains or inheritance taxation).
- We deliver this part via your next financial planning meeting, in the format that suits your lifestyle the best, such as face-to-face, by phone or using screen share technology.

We will confirm your options in our Terms of Business and Authority to Proceed documents.



Financial partners for life

Arranging any type of finance comes with fees and costs. The following are examples to consider, that may or may not apply to you, depending on whether you are buying a new property or remortgaging an existing one:

Stamp duty

This is payable to the Government, typically when you purchase a property.

Legal fees

This is payable to your lawyer for the conveyancing of the mortgage. Fees can vary and a purchase is normally more than a remortgage.

Land registry

A fee to register your property ownership with the Government.

Estate agent

Payable to your agent if you are selling through one. Typically this is a percentage of the final sale price.

Removal company

Typically payable 50% upfront and 50% on the day to the firm. Fees vary depending on the distances to cover, and amount, value and type of contents – ideally get quotations from three different firms before committing.

Mortgage valuation

This is a valuation for the lender (not for you). This is to satisfy them that a professional ‘valuer’ believes that the property is worth (rental and /or purchase) what you think it is.

Property valuation /survey

This is for you rather than the lender, and normally is associated with a purchase. It can comprise a full structural survey or a lighter touch homebuyer’s survey.

Mortgage lender’s arrangement fee

This is payable to the mortgage lender, upfront or can be added to the loan. It can vary a lot, and is normally associated with products that offer special discounts or rates. It was introduced to cover the increasing costs of underwriting your application.

Early repayment charges

If you repay your loan in full before the end of its overall term you can expect there to be at least an administration charge by the lender. However, if you part repay more than the pre-agreed level during a specified term, then a percentage charge may apply and can be relatively large.

Higher lending charge

Where high loan-to-value lending happens, an insurance policy is taken out by the lender to protect itself should you default and property values decline. This cost may be passed by the lender.

How to pay for **our** service

It is very important that you understand how we will be paid for our services:

- **Choice** - you choose how you pay us, whether you take up our ongoing service offer or simply want us to help you with a one off financial need.
- **Options** - we will discuss your payment options with you and answer any questions you have.
- **Agreed advice fees** - we will not charge you until we have agreed with you how we will be paid.
- **Transparent** - you will receive clear details on what the total charge is, the advice/services it relates to, how it has been calculated and when it is due to be paid.
- **VAT** – we provide an intermediation service which means no VAT is payable, but there may be times when it is, and we will let you know about this.
- **Client Money** – we never handle cash.

Please note, you will be under no obligation to implement any recommendations we make through this firm but an advice charge may still be levied for the work undertaken.

A description of the options for making payment of fees for initial advice and ongoing service charges follows.

Provider payments

- We may receive commission from an insurance provider.
- We may receive commission from a mortgage lender (known as a procurement fee).
- Should we obtain any commission, we will disclose this amount to you, by way of a key facts illustration or quotation.

Paying directly

- For certain areas of advice, we may charge a fee.
- This may be in addition to any commission we receive from an insurance provider or mortgage lender.
- Full details of any fees that we charge are confirmed in our Terms of Business document.
- Any fees applicable to you will be agreed in advance, in an Authority to Proceed document.
- You may pay us directly by cheque or bank transfer.

Introducer payments

- We may also receive an introducer fee, should we pass your specific enquiry on to a specialist professional adviser. Should this happen we will disclose this to you.



Blueprint for life

