

SHANGHAI COMMERCIAL BANK LIMITED

LONDON BRANCH

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MORTGAGE LOAN TERMS FOR RESIDENTIAL PROPERTIES IN THE UK

We offer to personal customer mortgage loan facility on the following terms. Applicants should consider carefully the information mentioned below:

1. **Affordability** --- In considering any application our consideration is based on your ability to repay the mortgage loan. The amount we will lend to an applicant is based on assessing his/her affordability by taking account of his/her income, regular commitments and living expenses.
2. **Loan amount** --- in *sterling pound* only, for residential properties in Greater London we provide a maximum of 70% of the purchase price or valuation by our approved surveyor, whichever is lower. Properties in other areas or cities will be considered only on case by case basis. Minimum loan amount is GBP100,000.
3. **Term** --- The maximum term for capital and interest repayment mortgages is 20 years / 25 years for first time buyers, subject to the term not going beyond the oldest applicant's 65th birthday.
4. **Interest rates**
3.75% (for owner occupied / for buy to let- Assured Shorthold Tenancy only) above the UK Base Rate (Bank of England Base Rate). Interest rate is on floating basis, i.e. it varies with the change in the corresponding UK Base Rate, both upwards or downwards, and the instalment amount is increased or decreased accordingly while the number of total outstanding instalments remains the same.
5. Certificate of interest will be issued on an annual basis. Duplicate will be issued upon request and there is a charge for this service. Please refer to our tariff for current fees.
6. **Early repayment charges** will be levied @ 1% on the loan amount outstanding if full repayment is made within the first year of the loan, beyond which no early repayment charge will be charged.
7. **Arrangement fee** --- at 0.75% on loan amount, minimum GBP800.
(A non-refundable GBP300 payable in advance on acceptance of our approval in principle, balance to be collected on draw-down of the loan)
8. **Life/endowment insurance cover** on the borrower(s) or guarantor(s) is not obligatory, but may be required depending on their conditions

9. **Building Insurance** – borrowers should take out building insurance at their expenses covering at least the reinstatement value (index-linked) of the pledged property recommended by the surveyor with our interest noted in the policy.
10. **Surveyors and solicitors**--- we use approved professionals on our panel to carry out the valuation of the pledged property, and the legal documentation relating to the legal charge on the said property. The relevant fees will be for account of the borrower(s).
11. **Other charges** ---- apart from the fees mentioned in items (9) and (10), borrowers should note that they have to pay the relative legal fees, search fees, stamp duty, Land Registry fees, other incidental expenses, as well as our handling fee upon discharge; and when desired, mortgage indemnity premium to cover negative equity, i.e., the selling price is less than the loan amount outstanding. For further protection, borrower(s) may take out insurance against home contents and mortgage repayment.
12. **Advice to personal borrowers and /or guarantor(s)** --- mortgage loan is usually taken out for a long period. Although the borrower(s) may have improved income in the long run, and can service the loan with ease or make early lump sum repayment, it is strongly advised that they should check their real need and financial capability in respect of the loan amount, the size of the property, the possibility of change of living location, employment, the unfortunate occurrence of separation or divorce, unemployment, long term sickness, injury or disability before making a decision to take out a mortgage loan. **The pledged property may be repossessed if they do not keep up repayments on their mortgage.**
13. We will only accept execution only business in the following circumstances:
- From a High Net Worth (HNW) mortgage customer with minimum annual net income of £300,000 or minimum net assets of £3m.
 - Where a Business Loan is to be arranged and a copy of an appropriate business plan is provided.
 - From a Professional customer who works or has worked in a home finance sector for at least one year.
 - A product switch or variation of contract where there is no further borrowing.
14. **Your Information**
- 14.1 We will treat all your personal information as private and confidential (even when you are no longer a customer). Nothing about your account nor your name and address will be disclosed to anyone, other than in accordance with the terms set out below:
- Where we are legally compelled to do so; or
 - Where there is a duty to the public to disclose; or
 - Where our interests require disclosure; or
 - Where disclosure is made at your request or with your consent.
- 14.2 We may use, analyze, and assess information held about you and your account, including the nature of your transactions, to give you information about products and services from members of the Shanghai Commercial Bank Group, and those of selected third parties, which we think, may interest you by telephone, post or other means.
- 14.3 We may pass this information to other members of the Shanghai Commercial Bank Group so that they may do the same.

- 14.4 If you do not want to be contacted for marketing purpose, please contact us. We will only use information about you and the conduct of your account for marketing purposes to the extent that you have agreed. We may use credit scoring when considering your application and also when operating the account or making lending decisions. In the same circumstances, we may search the files of credit reference agencies. They may keep a record of the search. We may also carry out identity and anti-fraud checks. Further checks and searches may be carried out from time to time for the purposes of fraud prevention and credit control.
- 14.5 We may give credit reference agencies details of any non-payment where:
- a. You have fallen behind with your payments; and
 - b. The amount owed is not in dispute; and
 - c. You have not made proposals satisfactory to us for repayment of your debt following formal demand; and
 - d. You have been given at least 30 days' notice of our intention to disclose.
- 14.6 We will store and process information obtained by us or given by you in your dealings with us on the Shanghai Commercial Group computers and in any other way. This will be used by us and other companies in the Shanghai Commercial Bank Group for assessment and analysis (including credit scoring, market and products analysis), so that we can develop and improve and market our services to you and other customers and protect our interests.
- 14.7 Under the Data Protection Act 1998, you can write and ask to see your personal records held on our computer files. A fee of GBP10.00 will be charged for this service.

15. **Complaints**

- 15.1 Should you have any cause to complain about any of our products or services, please contact our manager who will be pleased to help you explain the internal procedures for handling complaints fairly and speedily.
- 15.2 If you are still not satisfied, you may write to our Assistant General Manager, at 35/F., Gloucester Tower, 15 Queen's Road, Central, Hong Kong.
- 15.3 If the matter is still not put right, you may refer to Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR, Tel: 0845 080 1800, who will review your case. If you make such complaint, it will not affect your right to take legal action.

16. **Miscellaneous**

- 16.1 If you are a person who is deaf, hearing-impaired or have a speech impediment; or if you are a person who is blind or visually impaired, we will be happy to provide you with this brochure or any of our literature in large print, audio and Braille. Alternatively, you can call us on 020 7369 8888 if you would like further details of services offered to customers with disabilities.
- 16.2 If we supply you with a statement in Braille or large print, we will disclose your name, address and account details to our agents for them to use solely to prepare the statements.
- 16.3 We shall not be liable to you for any loss you may suffer if we are prevented from or delayed in providing you with any other services due to strikes, industrial action, failure of power supplies or equipment or causes beyond our control.
- 16.4 We are authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. (Reference No. 204699).

Customers are requested to send us the original loan application form bearing manual signatures or submit it to our Overseas Branches Service Centre at Units 101-103, 1/F, Wing On Plaza, 62 Mody Road, Tsimshatsui East, Kowloon, Hong Kong (Tel: 2841 5943).

Submission of photocopy of the following documents in regard to personal borrowers /

guarantors/company shareholders or directors will speed up our decision and save processing time:

1. Current Passport and ID card.
2. Certificate of marriage if applicant(s) is/are married, even when the application is in sole name.
3. Last 3 months bank statements / Utility bills.
4. Last 3 months pay-slips / other income / expenditure proof documents.
5. Information of the concerned property.
6. Current/expected rental income and service charge of the property, if available.
7. If self-employed, last 3 years audited financial statement of the company

For the sake of convenience, customers are required to open a GBP deposit account at our Branch with sufficient funds (minimum initial deposit GBP2,000) for disbursing the various expenses, fees, premiums, and monthly instalment repayment. Such accounts can be operated in Hong Kong or London.

N.B. All the above terms are subject to change without further notice unless when our offer letter is accepted by applicant(s) and drawdown effected within its validity.

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