

**SCOTTISH WIDOWS
BANK**

preparation is everything



Professional Mortgage

Professionals qualify for our 95% mortgage

When you are studying to get a professional qualification, it takes years of preparation and planning. Scottish Widows Bank understands this and believes that you have earned the opportunity to enjoy more financial freedom and flexibility. Which is why we are offering a flexible 95% mortgage - with no higher lending charge - exclusively to fully qualified and practicing medical doctors, dentists, accountants, optometrists, solicitors, vets, pharmacists and teachers. And, you don't have to be newly qualified to apply.

Flexibility of a fixed rate, variable rate or mixed.

You can choose a fixed interest rate, with a fixed monthly payment for your peace of mind. Or you can choose a variable interest rate, which allows you to regularly overpay. By overpaying you reduce the balance of your mortgage quicker, this means you pay less interest and could pay off your mortgage sooner.

You can even choose a fixed rate for part of your mortgage, with a variable rate for the rest. It's entirely up to you.

You should be aware that if you choose a fixed rate as part or all of your mortgage then the monthly payments on this element are fixed until the fixed rate expiry date regardless of whether interest rates fall or increase during this period.

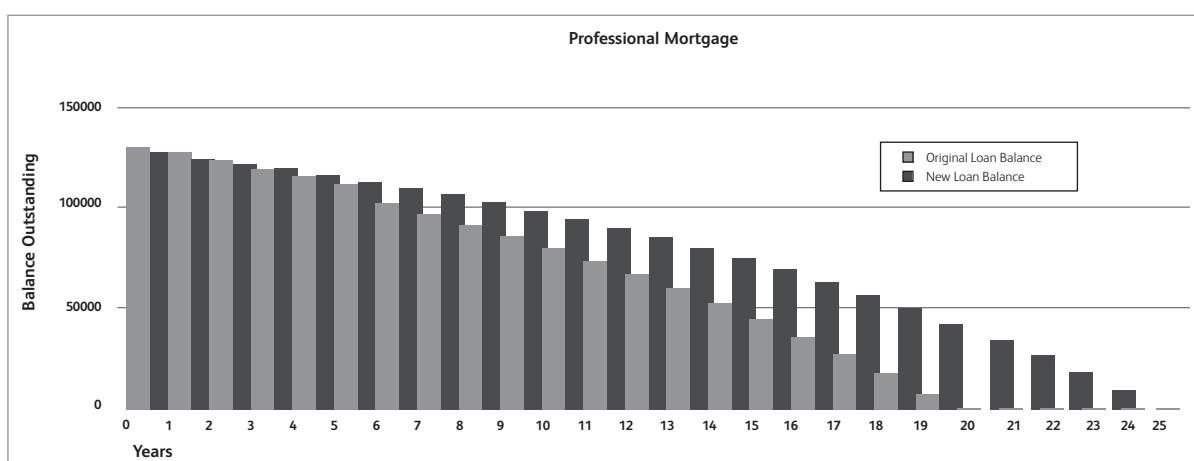
The graph shows you the potential savings from making overpayments to a variable rate mortgage.

The illustration below is based on an example interest rate and is not necessarily the current rate offered by Scottish Widows Bank. It is purely to demonstrate the savings which can be made by making lump sum or regular overpayments to a Scottish Widows Bank Professional Mortgage. Please see the enclosed 'Our Mortgage Rates' sheet for details of our current interest rates.

On a £130,000 repayment mortgage, with a standard variable rate of 5.75% over a 25 year period:

If a customer overpays £75 monthly from year 1 and also pays a £5,000 lump sum in year 5, the mortgage would be paid off 5 years and 3 months early saving £28,906.20 in interest.

The overall cost for comparison is 5.9% APR.



Remortgage Incentives

When you choose our Professional Remortgage Package, dependent on your circumstances, Scottish Widows Bank, will offer either a refund on the cost of the valuation up to a maximum £250, a free remortgage package or £300 cashback on completion*.

* A free remortgage package will be provided where completion is handled by our solicitors. We do not pay for any additional services such as a transfer of title to the property, or first registration of the property in HM Land Registry. Remortgage package not available in Northern Ireland. Our solicitors will not be able to give you legal, financial or tax advice on your remortgage. We recommend that you contact your own legal or financial adviser should you require such advice.

Flexibility for the self-employed

Getting a mortgage with Scottish Widows Bank is trouble free, even if you are considered a non standard applicant in the eyes of most banks/building societies. Our Professional Mortgage is ideal for the self-employed because:

- Every case is assessed individually by experienced staff.
- We underwrite mortgages based on your individual circumstances rather than just running your basic earnings through a rigid formula.
- Our separate Mortgage Reserve Account is ideal for any purpose including raising capital for your business.
- Our offset facility enables you to offset your mortgage against your savings, perhaps using the money you put aside to pay your tax bills.

Flexibility to borrow whenever you wish

A mortgage can be a cost-effective way to borrow money, and a Scottish Widows Bank Professional Mortgage allows you to do just that, easily. In addition to your mortgage account, we offer you a separate Mortgage Reserve Account, which entitles you to borrow at our standard variable rate. Of course, you can use the cash any way you wish, whenever you want.

For example, you could use it to pay for:

- A new car, a wedding or holiday.
- Consolidating debts and reducing your interest payments.
- Home improvement.
- Topping up your income in the short term for example, when you have a baby.
- Planning for a child's school fees, or the cost of a university education.

Flexibility of a Mortgage Reserve Account

Take a Mortgage Reserve Account along with your mortgage and you can revolutionise, and simplify, the way you manage your finances.

There will be a pre-agreed limit on your Mortgage Reserve Account and you have the freedom to withdraw and deposit funds as and when you wish. Both withdrawals and deposits should be for a minimum of £100. These will be made by electronic funds transfer via your existing personal bank or building society account using our simple telephone procedure.

No repayment is required on the Mortgage Reserve Account until the limit is reached. However, you should be aware that interest will continue to be charged on the outstanding balance on a monthly basis at our standard variable rate.

If you reach your limit, you can choose any of the following options:

- Set up a regular monthly payment to the account.
- Lodge funds to the account to bring the balance down.
- Continue to make payments to the account to cover interest and to keep the balance within the limit.

Flexibility of payment holidays

You needn't let your mortgage hold you back either. Supposing you decide to travel or work abroad for a year and your income decreases, you may be entitled to a mortgage payment holiday. When you start repayments again there will be no penalties, just carry on where you left off. Payment holidays can only be taken if the Mortgage Reserve Account is in place. Your normal monthly payments on your mortgage will be collected from your Mortgage Reserve Account instead of your bank or building society. The balance on your Mortgage Reserve Account will therefore increase and interest will be charged on this amount.

Flexibility of offset

The offset facility is available on variable, discounted and select new business fixed rate products.* This is an optional feature designed to use your savings to help you pay off your mortgage early and save money, without tying the two together.

With our offset arrangement, there's no need to change your current account, credit cards or personal loans. We simply set up a savings account (Mortgage Deposit Account) that runs alongside your mortgage. The account is operated by post or telephone with deposits and withdrawals made via your existing personal bank or building society account. By not earning interest on these savings, the money you have in your account is taken away from the amount you owe on your mortgage so that you only pay interest on the outstanding balance. As the interest is calculated at the end of each day, you can make savings on a daily basis.

The table below shows how offsetting savings against your mortgage can reduce your overall interest paid and term of mortgage.

Although your mortgage repayments stay the same, the interest payable is reduced so you can effectively pay your mortgage off sooner and potentially make substantial savings.

There are also tax advantages to offsetting. As a taxpayer you currently pay tax on any interest you receive, but because you're choosing to forgo interest on your savings, you're not liable to tax.

Only borrowings from your main mortgage account are within the offset facility.

	Without offset	With offset
Savings offset against mortgage		£15,000
Monthly mortgage payment	£817.84	£817.84
Total amount payable	£245,476.60	£206,774.29
Mortgage Interest saved		£38,702.31
Mortgage term reduced by		3 years 11 months

Illustration based on £130,000 repayment mortgage with a standard variable rate of 5.75% and £15,000 in Mortgage Deposit Account, over a 25 year period. This illustration is based on an example interest rate and is not necessarily the current rate offered by Scottish Widows Bank. Please see the enclosed 'Our Mortgage Rates' sheet for details of our current interest rates.

The overall cost for comparison is 5.9% APR.

*The offset arrangement will be applied to the main portion of your mortgage only.

Flexibility of Internet Banking

Our Internet Banking service offers a convenient way for you to manage your mortgage 24 hours a day, seven days a week. And it's easy to register too – just complete the 'Internet Banking' question in your Professional Mortgage application form.

Please note, Internet Banking cannot be accessed or operated by Guarantors, Power of Attorneys or Third Party Mandate Holders.

Your mortgage repayment options

To repay your Professional Mortgage, you can choose either repayment, interest only or part repayment part interest only.

Repayment

With a repayment mortgage you gradually pay off the amount you have borrowed, as well as the interest, over the life of the mortgage.

Interest only

With an interest only mortgage the amount you have borrowed must be repaid as a lump sum at the end of the mortgage. You will only make payments of interest to Scottish Widows Bank and may need to make payments to a separate savings plan to build up a lump sum to repay the amount borrowed.

Life cover

We strongly recommend that life cover sufficient to repay the balance of all outstanding borrowing from time to time (for all mortgage types) and an appropriate savings plan is in place prior to drawdown, for interest only borrowing. In common with other lenders we do not require you to provide us with evidence that these have been arranged. However, we strongly recommend that you monitor the adequacy of your life cover and savings plan on a regular basis. We will remind you annually of this throughout the term of your mortgage. Should you have any concerns in this regard please contact your Mortgage Intermediary.



Key Features of the Professional Mortgage

- A simple straightforward mortgage
- Choice of fixed or variable interest rates
- Optional Mortgage Reserve Account

Qualifying criteria

- Over 21 years of age.
- **Available to:** qualified, registered and practising: accountants, barristers, solicitors, trainee solicitors, dentists, doctors, vets, teachers, optometrists, pharmacists.
- Any professional listed above who is qualified, registered but not currently practising in their chosen profession will be considered on a case by case basis.

Amount you could borrow

Gross Income	Income Multiple	
	Single	Joint
Professionals		
Below £30,000	4	3
£30k – £50k	4.5	3.5
£50k+	5	4

For all applicants we must ensure that your clients can afford the monthly payments and the application will be assessed on this basis.

Self-employed applicants

Typically 4 times net annual earnings though cases are assessed individually and we will normally request financial information from your accountant.

95% borrowing

You can borrow up to 95% of the purchase price or valuation of the property, whichever is the lower.

Borrowing may be made up as follows:

Main Mortgage

Main loan account for purchase/remortgage of property and may include any other capital required at the outset.

Mortgage Reserve Account

An additional drawdown facility which allows you to withdraw and deposit funds within a pre-agreed limit, priced at Scottish Widows Bank's standard variable rate.

Security required

First legal charge over residential property for all borrowing (Standard Security in Scotland).

Remortgage Incentives

- Refund of valuation (maximum £250).
- Free remortgage package or £300 cashback on completion.

Main Mortgage

Amount of mortgage

Minimum
£50,000

Term

Minimum
5 years

Maximum
40 years or expected retirement age, whichever is the earlier.

Interest rates

Variable

- Choice of discounted and tracker rates available.
- Calculated on a daily basis.
- Product fee may be applicable (see 'Our Mortgage Rates' sheet for details).

Fixed

- Fixed rate option available as part or all of main mortgage.
- Non refundable booking fee payable (see 'Our Mortgage Rates' sheet for details).
- Up to 10% of the loan balance may be repaid once a year by cheque, without early repayment charge on fixed rates.
- Should you decide to move house during a fixed rate period, we will carry the rate forward if you arrange your new mortgage with Scottish Widows Bank.

Early repayment

Depending on the interest rate chosen there will be an early repayment charge within any discounted or fixed rate period. Please see enclosed 'Our Mortgage Rates' sheet for full details.

Repayment method

- Repayment.
- Interest Only.
- Part repayment and part interest only.

Special features

- Minimum lump sum repayment £1,000.
- Further advance minimum £5,000.
- Increased monthly repayments available on variable rate mortgages.
- Mortgage repayment holiday and reduced monthly payments considered subject to qualifying criteria (only available with Mortgage Reserve Account).

Mortgage Reserve Account

- **Minimum facility**
£5,000.
- **Maximum facility**
normally £50,000.
- **Minimum term**
5 years.
- **Maximum term**
40 years or expected retirement age, whichever is the earlier. Must be repaid in full over the term of the main mortgage.
- Subject to overall 95% loan to value ratio.
- No arrangement fee.
- No repayment programme is required on the Mortgage Reserve Account until the limit is reached. However, you should be aware that interest will continue to be charged on the outstanding balance on a monthly basis at our standard variable rate. You can choose to make regular payments at any time.
- Transfers to and from the Mortgage Reserve Account will be made by electronic funds transfer to/from a designated personal bank or building society account.
- Mortgage payment holiday and reduced payments available (subject to application).
- Funds available from day mortgage completes.

Offset

- The offset facility is available on the variable, discounted and select new business fixed rate products. If your mortgage is made up of more than one product, please indicate which product you would like to offset against and we will make this the main part of your mortgage.
- Mortgage Reserve Account balance not included in offset arrangement.
- Mortgage Deposit Account must be opened in same name(s) as mortgage account.
- Transfers to and from the Mortgage Deposit Account will be made by electronic funds transfer to/from a designated personal bank or building society account.
- Interest calculated daily on mortgage account balance LESS Mortgage Deposit Account balance and applied monthly to mortgage account.
- Monthly mortgage payments remain at same level until an interest rate change.
- No credit interest will be paid on the Mortgage Deposit Account if the balance exceeds the mortgage debt.
- Minimum balance of Mortgage Deposit Account £100.

Choosing your mortgage

Scottish Widows Bank provides information on the range of mortgages which we currently have available. This information is provided to help you make an informed choice of the mortgage you wish to take. We recommend that you consult your Mortgage Intermediary if you require advice on which option best suits your particular needs and tax position.

Valuations

Scottish Widows Bank has negotiated with our surveyors a competitive fee structure. Once we have instructed the surveyor to carry out a valuation report they will contact you to arrange payment of any applicable fee before arranging a date to visit the property.

If you choose a Homebuyers' Survey on your application form, the surveyor will send you separate Terms and Conditions. These must be signed and returned to the surveyor before the survey can go ahead. This survey must be carried out at the same time as the Standard Mortgage Valuation, and the additional cost of this has been negotiated as below.

Valuation fee scale

Value not exceeding	Mortgage Valuation fee	Additional fee (optional) for homebuyer survey
£ 75,000	£115	£135
£150,000	£175	£175
£250,000	£225	£225
£350,000	£280	£270
£450,000	£325	£325
Over £450,000	On Request	On Request

Please note that the sole purpose of the Standard Mortgage Valuation Report is to assist us to determine whether a mortgage advance will be made. The Report is not a structural survey. There may be omissions and the Report may not reveal faults in the property which do not matter to us for the purposes of lending the mortgage but could matter to you in the choice of property and how much to pay for the property. It is important therefore that you do not rely on this Report in your decision to buy the property. We do not accept any responsibility for the contents of this Report even if the valuer has been at fault. We recommend that you obtain your own detailed Report on the condition and value of the property.

Scottish Widows Bank can arrange a more detailed survey on your behalf, at a cost to you.

External valuations

Please note that for remortgage applications up to 80% loan to value and up to £300,000, Scottish Widows Bank will undertake an external valuation and absorb the cost for this. This is applicable to properties with a maximum value of £1,000,000.



Contact details

Customer Services
Scottish Widows Bank plc
PO Box 12757
67 Morrison Street
Edinburgh
EH3 8YJ

Scottish Widows Bank Mortgage Service Line
0845 845 0829

For your security and to assist us in improving our service to you, telephone calls may be recorded and monitored.

Pre-recorded Interest Information Line
0870 845 0829

Website
www.scottishwidowsbank.co.uk

Scottish Widows Bank is committed to making its products and services available to everyone. Copies of our literature can be provided in large print or in Braille and additional assistance is available to any customer upon request. If you have any special requirements, please contact our Customer Services staff in the first instance on 0845 845 0829.

Scottish Widows Bank plc subscribes to the Banking Codes, copies of which are available from us on request. We also have in place an internal complaints procedure, copies of which can be obtained from our Customer Services staff on 0845 845 0829.

THINK CAREFULLY BEFORE SECURING OTHER DEBTS AGAINST YOUR HOME.
YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.



Scottish Widows Bank plc, Company Number 154554. Registered in Scotland having its Registered Office at: PO Box 12757, 67 Morrison Street, Edinburgh EH3 8YJ.

The main business of Scottish Widows Bank is arranging, entering into and administering mortgages and accepting deposits.

Authorised and regulated by the Financial Services Authority. Our FSA register number is 201601. Signatory to the Banking Codes.

Professional Mortgages are available only to people aged 21 or over. All credit facilities are subject to status and valuation. For mortgages we require security over the property. Buildings insurance for the reinstatement value will also be required. Full details and written quotations are available from Scottish Widows Bank plc, PO Box 12757, 67 Morrison Street, Edinburgh EH3 8YJ.

This contract is between the applicant(s) and Scottish Widows Bank plc. The Terms of the Contracts (Rights of Third Parties) Act 1999 and any other legal third party rights are specifically excluded. This means that only the parties to the contract (or their legal successor(s), assignee(s) or other security holders) may have contractual rights.

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