

## Change of Parties – Frequently asked questions

### 1. Can I transfer a mortgage account from my sole name to another sole name?

No, sole to sole amendments cannot be agreed. This means that one original applicant must always remain named on the mortgage account.

### 2. I want to add my parents to the mortgage account can I do this?

Yes, however, the maximum age at the end of the mortgage term is 75 years and 364 days.

### 3. What income do you take into consideration in a Change of Parties request?

Please note, that with all requests for a Change of Parties the income being used to assess affordability must be paid in GBP/Sterling.

#### **For employed persons, we will accept 100% of:**

- gross basic salary;
- housing allowance;
- mortgage subsidy;
- large city weighting;
- shift allowance (permanent);
- pensions;
- annuities;
- car allowance;
- contractual allowance;
- territorial army pay;
- pension tax credits; and
- agency/fixed term work (subject to evidencing a two-year track record of this income type).

#### **We will consider up to a maximum of 50% of:**

- overtime;
- shift allowance (non-permanent);
- bonuses;
- commission;
- performance related pay; and
- income from a second job (including Territorial Army reservist allowance).

#### **We will also accept 100% of:**

- maintenance (must have been in existence for two years and payable under a court order/CSA). This must be in place for the term of the loan; and
- disability living allowance/disabled persons tax credit/war disablement pension/employment and support allowance (this was previously incapacity benefit or severe disablement allowance until 2008).

#### **We will totally disregard the following for income purposes:**

- seasonal overtime;
- state benefits (other than pension, disability benefits);
- working tax and child tax credit;
- one-off payments;
- meal allowance;
- income from renting a room in the property;
- dividends;
- care worker's allowance;
- probationary income (where no track record or permanent status is proven); and
- temporary work.

### 4. Do you accept photocopies of wage slips?

Yes. Please note if you are employed or have a shareholding of less than 20% in the company we will need two out of the last four monthly payslips, and latest P60 or if paid weekly four out of the last six weekly payslips, and latest P60.

### 5. What income verification is required if I am self-employed?

We require copies of the last two years' accounts or an Accountant's Certificate or HMRC Tax Assessments (SA302s and corresponding tax years overview).

## 6. How will my Change of Parties request be processed?

- The person(s) proposing to be named on the account must complete and return the Change of Parties request form. This form can be printed from virginmoney.com or requested by calling the Mortgage Customer Service Centre on **0345 602 8301\***.
- Credit scoring and affordability checks are undertaken to assess whether you can afford the loan. This includes income verification (see 4 and 5 overleaf) just as if we were processing an initial mortgage application.
- If we agree to the Change of Parties, an Offer will be sent to you.
- The Acceptance Declaration issued with the Offer must be signed and returned.
- Then we will send instructions and a copy of the Offer to your solicitor.
- On receipt of the Offer your solicitor will arrange for the relevant documentation to be drawn up. The Transfer (England/Wales/Northern Ireland) or Deed of Variation (Scotland) is forwarded to Virgin Money for sealing.
- Once sealed, the Transfer/Deed of Variation is returned to your solicitors.
- When the change has been registered with the Land Registry, or the Registers of Scotland, your solicitor will send us confirmation of re-registration.
- When this confirmation is received your mortgage account will be updated to reflect these changes and a letter will be issued to you confirming the successful completion of your Change of Parties application.

## 7. Can specific time scales be given for the various stages of the Change of Parties process?

It is very difficult to give specific time scales once the Offer has been sent, as after this stage your solicitor will control the time scale. Once the Offer has been sent, we will recommend you ask for updates from your solicitor.

## 8. If I am going through Bankruptcy proceedings, would you consider a Change of Parties request?

Yes, but we will require the prior written approval of the Trustees in Bankruptcy (or equivalent).

## 9. What will happen if a person named on the mortgage can not be traced? Can a Change of Parties be requested after a certain length of time, or does it need to go via a solicitor and the courts?

Independent legal advice would need to be sought regarding this matter as we are unable to complete a Change of Parties request without the signatures of all parties concerned or their legal representative on the legal documentation.

## 10. If an account is in arrears or has previously been in arrears, at what stage can I request a Change of Parties?

You can do this at any stage, but we will not allow the Change of Parties to complete whilst your account is in arrears.

## 11. Can a person remain on the Title Deeds if they have been removed from the mortgage account following a Change of Parties?

No the names on the mortgage account must match the names on the Title Deeds.

## 12. If I am required to make a Capital Repayment before a Change of Parties is agreed, can I raise this money through Virgin Money additional borrowing?

No. Additionally, if you raise the funds by taking a loan with any lender other than Virgin Money, you must inform Virgin Money, as this may affect the affordability of the mortgage.

## 13. How long is the Change of Parties decision valid for?

The Offer is valid for 16 weeks. If you do not complete within this timeframe we may consider extending your Offer for a period of 8 weeks. A new credit score and affordability assessment will be required.

## 14. What information can be provided to the party being removed from the mortgage account?

We will confirm that a Change of Parties request has been received and the outcome of the decision, however, the reason for any decline will not be disclosed.

## 15. What Virgin Money fees will I incur?

Change of parties administration fee £200

The Change of parties administration fee will need to be paid when you return your acceptance declaration and is non refundable.

The fee is payable at the point in the process mentioned in this document. To pay the fee you can either send us a cheque (payable to Virgin Money) or make a debit card payment by calling the Mortgage Customer Service Centre on **0345 602 8301\***.

## 16. Do you accept a Change of Parties request from customers with a Shared Ownership mortgage?

We do. However, in order to action your request we will need to have the consent of your Housing Association/Registered Provider for a Change of Parties on your Shared Ownership mortgage.

\*Calls to 03 numbers cost the same as calls to 01 and 02 numbers and they are included in inclusive minutes and discount schemes in the same way. Calls may be monitored and recorded. Lines are open: Mortgage Customer Service Centre 0345 602 8301, 8am to 8pm Monday to Friday and 9am to 1pm Saturday.