

Fix and Switch

A 5 year fixed rate, with a 2 year Early Repayment Charge

Key features:

- Fix and Switch offers your customers a 5 Year Fixed Rate mortgage with a 2 Year Early Repayment Charge (ERC). This means your customers get certainty for five years on their interest rate and monthly payments, but if interest rates go down, your customer can switch to another deal after two years without incurring an ERC.
- The product reverts to our Standard Variable Rate (SVR) at the end of the 5 Year Fixed Rate Period, currently 9.49%.
- If you were to arrange a product transfer with Virgin Money for your customer after the two year ERC expiry, a procurement fee would be payable.
- Affordability for Fix and Switch will be assessed using our recently updated approach for residential mortgages fixed for five years or longer.
- The product comes with an ERC of 1.5% which is only applicable within the first two years. This provides your customers with the flexibility to remortgage or product transfer ERC-free after two years and take advantage of lower interest rates if available.

This product may suit the following customers:

- Fix and Switch could be an option for customers considering a 5 Year Fixed Rate mortgage, who also want to have the opportunity to product transfer sooner if interest rates go down.
- Fix and Switch is also an option for customers considering a 2 Year Fixed Rate mortgage as it offers the benefit of an additional three years at the same initial fixed rate.

This product may not suit the following customers:

- Fix and Switch is unlikely to suit customers who see no likelihood of rates being lower in two years' time. They are likely to prefer a standard 5 Year Fixed Rate mortgage.
- It is also unlikely to suit customers who are certain that mortgage rates will be lower in two years' time, as they may not choose to pay a premium to keep the option open of having the same interest rate and payment for five years. They are likely to prefer a standard 2 Year Fixed Rate mortgage.
- Depending on the mortgage products available in the market at the time of application, a more suitable product may be available depending on your customers' needs. It is your responsibility as an FCA regulated firm, to give advice tailored to the customer's needs and circumstances.

Important stuff just for mortgage brokers

This is not a financial promotion and should not be displayed or used as such. Please refer to our website for full details.

Details correct at time of distribution.

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