



INTERNATIONAL MORTGAGE PLANS

EXPATRIATE MORTGAGE EXPERTS

INTERNATIONAL MORTGAGE PLANS (IMP) are the UK's leading providers of mortgage funds for British expatriates purchasing or refinancing UK residential property for family use or commercial letting. Established in the UK in 1975 and in Hong Kong in 1987, IMP are also represented in most expatriate locations. They access the mortgage market via a constantly reviewed panel of bank and building society lenders. Facilities are available to individuals and intermediaries.

International Mortgage Plans (IMP) have numerous schemes with lenders that will cater for expats purchasing or remortgaging UK Buy to Let properties, be it one property or multiple properties. We also have schemes that will cater for offshore companies and trusts looking to arrange finance on UK properties.

Our advice remains to put in place a pre-approved mortgage facility if you are intending purchasing in the coming months. **IMP's** pre-approval service can give you "in principle" approval within 48 hours on submission of a preliminary application, with supporting documentation, confirmation of ID, bank details and previous lender's details.

Arrangement Fees - All fees quoted are payable to the lender and are usually added to the loan although some require payment with the application. IMP will charge an arrangement fee of .25% subject to a minimum of £250 and a maximum of £500 but this can be waived where associated financial products, such as mortgage protection, is effected through the company's agencies. Our fee is only payable when we have obtained an acceptable mortgage offer.

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International Mortgage Plans are authorised and regulated by Financial Services Authority and hold Consumer Credit Licence No: 504524

Your home may be repossessed if you do not keep up repayments on a mortgage or other loan secured on it.



INTERNATIONAL MORTGAGE PLANS

EXPAT MORTGAGE EXPERTS

BULLETIN/PRESS RELEASE – October 2005

Inertia – The Expat disease

It's a reasonable assumption that the Internet with its particularly high expat penetration, would ensure that no expat should be a victim of uncompetitive mortgage rates. Why then at International Mortgage Plans (IMP), do we find expatriates paying totally uncompetitive rates on their UK mortgage?

Research on UK borrowers shows that up to 70% of borrowers pay too much for their mortgage and don't realise how easy it is to shop around. Many expat borrowers are currently paying their lenders standard variable rate, this could be anywhere between 6.50%-6.75%. For a £150,000 loan this equates to a monthly mortgage interest payment of £843.75 **International Mortgage Plans (IMP)** current best buy two year fixed rate scheme the equivalent costing would be £580. This would give a saving of £3,165 a year! Put another way this represents a reduction of 32% on current mortgage payments. For some expatriates the interest rate being repaid may be even higher if the lender loads the interest rate for letting the property whilst the borrower is overseas. IMP have seen the interest rate loaded by 1% in some circumstances. Also some of the current terms being offered to Expats are very uncompetitive, one leading UK broker recommends Mortgage Express for all its expat cases, The rate is 2.25% over Base for the term of the loan (Giving a pay rate of 6.75%), as you will see from our site this is **extremely** uncompetitive. Inertia may not damage your health but it will certainly damage your wealth!

Our spring bulletin drew attention to lenders hiking up fixed rate loans to what we considered to be an artificially high level. Our comment on that has proved to be correct, as pressure on interest rates has reduced, with a slow-down in house prices giving the Bank of England the comfort they were looking for. We are again looking at two year fixes at 4.00%-4.79%. **IMP's** tracker has a two-year margin of just .14% over bank base.

IMP have a variety of fixed and discounted rate deals and one of the most attractive deals on offer is their 'flexible tracker'. This mirrors the Bank of England Base Rate, with a .14% uplift for two years. (4.64% current pay rate) The interest is calculated daily and there are no early repayment penalties, of any kind, at any time. As with all **IMP** arrangements, there is no loading for letting, no conditional insurances and loans can be arranged on an interest only or repayment basis and are portable. None of **IMP's** lenders differentiate between expat and UK domestic borrowers even though the expat will normally be letting commercially with full tax efficiency on their interest payments.

IMP is one of a limited panel of intermediaries offering terms via **Heritable Bank** who are a new lender in the expat mortgage market. They have a particularly attractive range of discounted buy to let products and their service has so far proved to be excellent. This is obviously a reflection of their not being burdened with an existing client bank or application pipeline. Heritable Bank's whole approach is refreshing when compared with the inflexibility of most lenders.

Where loans are required via offshore repayment vehicles – **IMP** recommend a loan package via **Fortis Bank**, who offer a keener margin than most lenders, of 1/1.25% over LIBOR. Interest only loans are allowed, portfolios can be accommodated and there is a simple arrangement fee of £500. There is, however, a minimum loan of £150,000.



INTERNATIONAL MORTGAGE PLANS

Buy-to-Let Investors still smiling

The prospect of being able to tax shelter their buy to let investments in pension arrangements has UK buy to let investors positively salivating! Quite why Gordon Brown should choose to initiate the biggest tax give away for high earners ever seen is beyond comprehension. The proposals are astonishing coming from a Labour government. Returns on buy to let investments could be almost doubled if the new planning is used correctly and to its full tax efficiency.

Despite the mixed forecast for property values in 2005, buy to let landlords have remained confident. Paragon Mortgages, a leader in the field, confirm that the average property investor, who owned ten properties in 2000, now owns thirteen and is still looking to increase their portfolio. As home ownership has become more of a stretch for many prospective first-time buyers, many of them have stayed in rented accommodation longer. Very few buy-to-let landlords surveyed said they would be selling their properties in 2005 if prices should fall. Likewise, the Association of Residential Letting Agents (ARLA), have carried out surveys confirming similar results, that show that sensible buy-to-let investors are not short-termist in outlook and do not trade on emotive market signals. Some 89% of ARLA's 800 investors surveyed, said they would not sell, even if house prices fell but would be prepared to stand their ground and rely on a return to more favourable market conditions. An exceptional impetus can be expected by the changes in pension plans already noted.

Our advice remains to put in place a pre-approved mortgage facility if you are intending purchasing in the coming months. **IMP's** pre-approval service can give you "in principle" approval within 48 hours on submission of a preliminary application, with supporting documentation, confirmation of ID, bank details and previous lender's details.

UK Property Prices

Who knows? Nationwide reported that prices rose by 0.5% in May 2005. The Halifax reported that they fell by 0.5%. Certainly the doom mongers forecasting an imminent property collapse last Autumn seem to have lost confidence in their damaging, negative and seemingly, unsupported projections. Property websites confirm that 52% of house hunters now expect prices to rise this year against 30% in December 2004. All this applies to UK prices in general but regional and local values will always show wide variations from the "average".

Home Truths of the Web

It's no longer necessary to rely on the unreliable gossip of neighbours or the self-serving estimates of property agents to find out what individual property is sold for. It's all recorded on the web – another boon to expat would-be buyers. www.nethouseprices.com allows us to establish exactly what price a property and those in the surrounding area has achieved since April 2000. Another very useful website for the expat property buyer is www.homecheck.co.uk. This site enables you to input the postcode of a property you are buying and it will give details of potential hazards to the property such as flooding, subsidence and pollution. The expat UK property buyer is newly empowered

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INTERNATIONAL MORTGAGE PLANS EXPAT MORTGAGE TERMS – October 2005

Special schemes available to expatriates and, in some cases, foreign nationals, for the purchase, or refinancing, of property, for family use, or commercial letting under the shorthold tenancy act. Note: Buy to Let Mortgages will not be covered by the recent Financial Services Act mortgage regulation but loans for properties for family occupation, will be so regulated.

LENDER	INTEREST RATE %	LETTING PREMIUM	MAX % ADVANCE	ARRANGE-MENT FEE	SPECIAL FEATURES
BANK OF SCOTLAND	Libor + 1%	NONE	85%	.25%	Special Schemes. Minimum £70,000
BM SOLUTIONS	4.49% 2year fix	NONE	85%	£795	Refund of Valuation. Free remortgage service. 5/5/5/4/3% 5 year redemption. Applicant must work for Govt Agency or Multi National Company
CHELTENHAM & GLOUCESTER	4.49% 2 Year Fix	NONE	80%	£595	Minimum loan £100,000 2/1% redemption 2 year fix. Free Valuations
	4.69% 3 year fix	NONE	80%	£595	3/2/1% redemption 3 year fix Free Valuations
	4.64% Tracker Base + 0.14% until 31/3/09	NONE	80%	£595	Tracker 0.14% over bank base rate no early repayment charges at anytime. Free Valuations
DRESDNER KLEINWORT BENSON	Cost of Funds +1%	NONE	80%	.25%	Currency Switching. Minimum Loan £100,000. Life assurance required. Min earned income £75,000. Other discounts, special terms £400K +
FORTIS BANK GROUP	LIBOR + 1%	NONE	75%	£500	Minimum Loan £150,000. 80% owner/family occupation. Foreign currency loans available.
	Multi currency LIBOR +1.25%	NONE	70%	£500	Loans to offshore companies and trusts
HALIFAX Plc	5.44% 3 Year Fix	NONE	75%	£199	Very restrictive terms. No capital raising allowed. Must be returning to UK in a short period.
	5.49% Base + 0.99% 3 year tracker	NONE	75%	£199	Redemption penalties Fixed rate 2% in first 3 years
HERITABLE BANK	2 year fix 4.29%	NONE	75/80%	.5%	IMP clients receive a special discount. Redemption 5/5/4/3/3% 5 Year penalty.
IRISH PERMANENT (Isle of Man)	Base + 0.65%-1.25%	NONE	85%	1%	Same rate second asset loans Also 2-10 year FIXES with repayment penalties. Loans to offshore companies and trusts.
NORTHERN BANK	4.79% 2,3 and 5 year fix	NONE	75/80%	1%	Fixes and discounts available. Min Loan £75,000 Offshore Company/Trust Loans



INTERNATIONAL MORTGAGE PLANS

PORTMAN BUILDING SOCIETY	4.45% Five year fixed rate	N/A	90%	£499	Penalties in fixed terms only. Partial repayment of 5% per annum allowed without penalty.
	Base Rate + .24% (4.74%) two year tracker 0.75% thereon	N/A	90%	£399	No Repayment Penalties Daily interest. Portman Schemes only available for Owner occupation where a Spouse will be residing in the property. All schemes to 90% for family occupation.
ROYAL BANK OF SCOTLAND INTL	Base + 1%	NONE	80%	0.25%	Terms can vary via different Royal Bank operation areas.
TMW	3.99% 2 year fix	NONE	75/80%	2 year fix 0.5%	2 year fix 5/5/5/4/3/2% early redemption.
	4.79% 3 year fix			3 year fix 1.5%	3/5 Year Fix 5% during fix rate period only.
	4.99% 5 year fix			5 year fix 1%	Arrangement fees can be added to the loan.

This table is for information purposes only and is not to be viewed as a recommendation

Notes: Some Lenders have onerous redemption penalties for fixed and discounted terms. A usual penalty is 6 months interest in the first 5 years. Loans are however portable but proportionate penalties would apply unless similar amount loans were taken. There are also proportionate penalties on partial repayments. BANK OF SCOTLAND, FORTIS, LLOYDS, KLEINWORT BENSON, NORTHERN BANK and ROYAL BANK OF SCOTLAND all offer loans via offshore trusts and offshore companies. Arrangement fees can be as much as 1% of the loan. Some lenders make life assurance cover obligatory. Others insist on their "in-house" buildings and contents insurance as a loan condition.

Arrangement Fees - All fees quoted are payable to the lender and are usually added to the loan although some require payment with the application. IMP will charge an arrangement fee of .25% subject to a minimum of £250 and a maximum of £500 but this can be waived where associated financial products, such as mortgage protection, is effected through the company's agencies.

Most lenders have settled on a base variable rate of circa 6.75%. Bank rate @ 15.10.05 - 4.50%.
3 month LIBOR 4.48%



INTERNATIONAL MORTGAGE PLANS Property Purchase Schemes

With effect from 15th October 2005 the terms of our expatriate schemes for property purchase are amended as follows: -

SCHEME 1

- ☛ **A Two year fixed rate of 4.49%**
- ☛ £595 lender arrangement fee (Includes property valuation)
- ☛ Partial repayment of 10%pa without penalty
- ☛ There is a 2% redemption penalty in first year and 1% in year 2 – no extended “tie-in”

SCHEME 2

- ☛ **A Three year fixed rate of 4.69%**
- ☛ £595 lenders arrangement fee (Includes property valuation)
- ☛ 3/2/1% redemption penalty during fix – no extended “tie-in”
- ☛ Partial repayment of 10% pa without penalty

SCHEME 3

- ☛ **A Three year discount of 1.9% from the lenders standard variable rate**
- ☛ **Current rate payable 4.84%** Max loan **90%** of purchase price
- ☛ £345 lenders arrangement fee added to the loan
- ☛ Partial repayment of 10% per annum without penalty
- ☛ There is a 3% redemption penalty in first year and 2/1% in years 2/3 – no extended “tie-in”

SCHEME 4

- ☛ **Two Year Flexible Tracker.** Bank Base + margin of 0.14% (**4.64%**)
- ☛ **Interest calculated monthly with daily adjustment**
- ☛ **No Redemption penalty at anytime**
- ☛ Lenders arrangement fee of £595 (Includes property valuation)

For loans under £100,000 similar terms are available at a slightly higher interest rate

GENERAL TERMS - For all schemes mentioned, the following applies:

1. **Application fee £150 payable** to International Mortgage Plans with the application form.
2. No loading for letting (which must comply with the Assured Shorthold Tenancy Act)
3. Minimum valuation £100,000. Property must be applicant's 'main UK property'.
4. The principal applicant must hold a British or EU passport. One applicant must hold a British passport
5. Loans are available to 75/80% (not scheme 3 available to 90%) of valuation where the property is let, but 90% of valuation where spouse or children occupy the property. *If properties are purchased for family occupation, please note loans will be subject to full UK **Financial Services Authority** regulatory requirements.
6. Normal income multiples 4 x income to 75% LTV. Additional allowance for spouse's income. Rental income may be taken into account.
7. Flats above shops or commercial premises not normally accepted. Please contact us with detail of the property.
8. Loans over £500,000 need Board approval
9. **International Mortgage Plans** charge an arrangement fee of .25% subject to a minimum of £250 and a maximum of £500. Our arrangement fee is only payable when we have obtained an acceptable mortgage offer. This fee may be waived or discounted if associated financial products such as mortgage protection cover are effected through their agencies.



INTERNATIONAL MORTGAGE PLANS EXPAT BUY TO LET – October 2005

Special schemes available to expat buyers and UK residents for UK buy to let property and in some cases, foreign nationals, for the purchase, or refinancing, of property, for family use, or commercial letting under the shorthold tenancy act. Note: Buy to Let Mortgages are not covered by the recent Financial Services Authority mortgage regulation but loans for properties for family occupation, are regulated.

COMMON DENOMINATORS	<ul style="list-style-type: none"> • Loan to value 75% maximum. • Heritable, Natwest & Royal Bank of Scotland to 80%, Irish Permanent, BM SOLUTIONS 85%. • New purchases and re-mortgages generally available including capital raising for additional property investment <p>Letting under Shorthold Tenancy Act required - 6 or 12 months. Generally no DSS or multiple tenancies. Ex local authority properties and student lets limited range of lenders.</p>				
LENDER	INTEREST RATE %	MAX % ADVANCE	ARRANGEMENT FEE £/%	LOAN TO FOREIGN NATIONALS	SPECIAL FEATURES
BANK OF SCOTLAND	LIBOR + 1%	85%	.25%	NO	Special Scheme. Minimum £70,000
BM SOLUTIONS	4.49%	85%	£795	NO	Refund of Valuation. Free remortgage service. 5/5/5/4/3% 5 year redemption. Applicant must work for Govt Agency or Multi National Company
FORTIS BANK	LIBOR 1% Multi currency LIBOR +1.25%	75% 70%	£500	YES	Minimum Loan £150,000 Loans to offshore companies and trusts
HERITABLE BANK	4.29% 2 year fix	75%	0.5%	YES	IMP clients receive a special discount. Redemption 5/5/4/3/3% 5 Years
HSBC	6.09% Fixed rate for 3 and 5 years	75%	£399	YES	Applicants need to be in salaried employment or professional occupations such as Dr's, Dentists, Solicitors or Accountants



INTERNATIONAL MORTGAGE PLANS

IRISH PERMANENT (International)	BASE + 0.65%-1.25%	85%	1%	SOME 70%	Same rate second asset loans Also 2-10 year FIXES with repayment penalties. Loans to offshore companies and trusts.
NORTHERN BANK	4.79% 2,3,4 Year Fixed rates	75%/80%	1%	YES	Fixes and discounts available. Min Loan £75,000 Offshore Company/Trust Loans
MORTGAGE EXPRESS	2.25% over base for term of loan	70%	£449	YES	Non Status loan Rent must be 130% of monthly mortgage payment
ROYAL BANK OF SCOTLAND INTL	Base + 1% + 0.75% £250K	80%	.5%	YES	Terms can vary via different Royal Bank operation areas.
TMW	3.99% 2 year fix 4.79% 3 year fix 4.99% 5 year fix	75/80%	2 year fix 0.5% 3 year fix 1.5% 5 year fix No Arrangement fee	YES	2 year fix 5/5/5/4/3/2% early redemption. 3/5 Year Fix 5% during fix rate period only. Arrangement fees can be added to the loan
WOOLWICH DIRECT	Base + 1.2%	75%	£325	YES	

- Interest only loans usually available.
- Property restrictions - Ex-Council and properties over commercial premises always a problem. Rental income to cover mortgage by 125/150% for non-UK residents/foreign nationals.
- Irish Permanent – applicants must have a mortgage 'history'. Self-employed 70% max LTV. Loans available via offshore companies/trusts.
- Bank base rate 4.50% 4.8.05 3 month LIBOR 4.50%.
- Heritable, The Mortgage Works, Northern Bank and Woolwich up to ten properties per applicant.
- Loans usually portable without incurring early repayment penalties.
- All fees quoted are payable to the lender and are usually added to the loan.
- International Mortgage Plans (IMP) charges an arrangement fee of .25% subject to a minimum of £250 and a maximum of £500. IMP will waive or discount their fee if associated financial products such as mortgage protection are effected through their agencies.



INTERNATIONAL MORTGAGE PLANS

APPLICATION PROCEDURE

Items required with this application

1. Proof of identity via a *certified* copy of relevant passport pages. Identification card not acceptable.
Note: Some UK lenders only offer loans to British passport holders.
2. Copies of latest 2 months payslips should also be supplied if available. If self-employed, the lender will apply to your accountant, who must be UK or international accountancy affiliated.
3. We, or the lender will fax your employer for a letter confirming permanence of status, length of service and current level of earnings. Contract details and details of accommodation, or housing allowance, should be included. Please nominate a suitable addressee and their fax number and warn the relevant personnel that such a letter will be received.
4. Copy of current bank statements – UK *and* Overseas (e.g. 1 page per month for 2 months). This should include 1 original statement for money laundering purposes.
5. Proof of Residency – 2 items are required which can include an *original* aforementioned bank statement, utility bill, rent notice, etc, addressed to your residential address.
6. **APPLICATION FEE £150 & VALUATION FEE REQUIRED WITH COMPLETED FORMS** – See Valuation Scale on House Purchase Costs' page.
Relevant fees can be made by direct transfer to our account at Barclays Bank plc – Hampstead Branch. Sort Code 20 36 16. Account number 30048801.
7. Estimate of rental value if available or proof of rental payment if a remortgage. Evidence of deposit, if applicable.
8. Copy of agent/vendor's sale particulars if available
9. If copy bank statements show payments to an existing lender, it will negate the need for a mortgage lender's reference. If not, please supply the latest annual mortgage statements.
10. **Our arrangement fee for negotiating and processing this mortgage will be .25%, subject to a minimum of £250 and a maximum of £500.** This fee may be waived or discounted if associated financial services' products are effected through IMP's agencies.

Completion of Application Forms:

1. All applicants must sign the form. If a purchase or existing ownership is in joint names, the mortgage must also be in joint names. The lender will need to be in possession of an interest mandate drawn on a Sterling account before issue of mortgage offer.
2. Please give as many contact details as possible, i.e. fax/telephone numbers, etc. Account numbers of existing loan and bank accounts are important in ensuring a speedy acceptance.

The Money Laundering Regulations Act 1994 has meant that positive proof of identity is a major requirement of lenders. Mortgage processing has become a tedious obstacle race for all concerned. **PLEASE** provide as much detail on your application forms as possible and ensure that items on the checklist are sent with the application together with the relevant fees, or as soon as possible after application submission.



INTERNATIONAL MORTGAGE PLANS

HOUSE PURCHASE COSTS

STAMP DUTY

Purchase Price	Percentage %	Purchase Price	Percentage %
Nil - £120,000	Nil	£120,001 - £250,000	1
£250,001 - £500,000	3	£500,001+ and over	4

APPLICATION/ VALUATION FEES.

Purchase Price	Report and Mortgage Valuation	Report on Condition & Valuation
Application fee £150 In all cases		
To £100,000	£190.00	£335.00
£100,000 - £150,000	£210.00	£385.00
£150,000 - £200,000	£250.00	£445.00
£200,000 - £300,000	£320.00	£505.00
£300,000 - £400,000	£370.00	£575.00
£400,000 - £500,000	£420.00	£675.00
£500,000 +	By negotiation	By negotiation

CONVEYANCING COSTS

Purchase Price	Purchase	Remortgage
To £100,000	£425.00	£315.00
£100,000 - £150,000	£495.00	£355.00
£150,000 - £200,000	£545.00	£405.00
£200,000 - £250,000	£595.00	£455.00
£250,000 - £300,000	£645.00	£505.00
£300,000 - £350,000	£695.00	£555.00
£350,000 - £400,000	£745.00	£605.00
£400,000 - £450,000	£795.00	£655.00
£450,000 - £500,000	£845.00	£705.00
£500,000 - £550,000	£895.00	£755.00
£550,000 - £650,000	£945.00	£805.00
£650,000 - £750,000	£995.00	£855.00

Please note that under UK Law VAT must be added at 17.5% Leasehold properties add £100

LAND REGISTRY FEES

Purchase Price	Fee - Purchase	Fee - Remortgage
£70,000	£60.00	£40.00
£100,000	£100.00	£40.00
£200,000	£200.00	£50.00
£500,000	£300.00	£70.00
£1,000,000	£500.00	£100.00
Over £1,000,000	£800.00	£200.00

MORTGAGE REPAYMENT GUIDE

Approximate monthly repayment per £1,000

Rate %	Interest Only	Capital Repayments			
		10 Years	15 Years	20 Years	25 Years
4.0	3.33	10.28	7.50	6.14	5.34
4.5	3.75	10.54	7.76	6.41	5.62
5.0	4.17	10.79	8.02	6.68	5.91
5.25	4.37	10.93	8.17	6.83	6.06
5.5	4.58	11.05	8.30	6.97	6.21
6.0	5.00	11.32	8.58	7.27	6.52
6.5	5.42	11.59	8.86	7.56	6.83



INTERNATIONAL MORTGAGE PLANS INTERNATIONAL MORTGAGE PLANS

“Blandings”, Cobbetts Hill, Weybridge, Surrey KT13 0UA
Tel: 01932 830660 Fax 01932 829603

Application for acceptance in principle

In response to your enquiry, general details herewith. If you would care to e-mail or fax back the questionnaire herewith, we will be pleased to indicate approval in principle and supply more specific information and an appropriate quotation.

Name	
Address	
Country	
E-mail address	
Work Phone	
Home Phone	
Fax Number	
Age/s	
Occupation/s	
Annual Income	
Nationality	
British Passport Holder?	
Property Location	
Property Value	
Purchase or Remortgage	
Loan required	
Deposit Available	
Other UK Property Owned?	
Existing UK Mortgage details	<i>Please advise Lender, monthly repayment etc</i>
Current rental income	£
Mortgage term required	Years
Loan required on a interest only or repayment basis	

INTERNATIONAL MORTGAGE PLANS

Tel: 01932 830660 Fax 01932 829603

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