



NatWest

What is a NatWest Family-Backed Mortgage?

A NatWest Family-Backed Mortgage is a mortgage where two individuals are mortgage borrowers, but only one of them owns the property. Both borrowers are jointly and severally liable for repaying the mortgage, but only one of them is the legal property owner.

This fact sheet is for the borrower who will not be the property owner ('the **non-owning borrower**'). It gives that person information about what they will need to do if they wish to apply for a NatWest Family-Backed Mortgage. Please note that this is a fact sheet only: It is not legal or financial advice.

What is expected of me as part of this mortgage application?

You, as the non-owning borrower will need to get Independent Legal Advice as part of this mortgage application, the cost for this will need to be covered by you. A Certificate of Independent Legal Advice will be issued to you once your mortgage has been agreed by us. You will be required to take this Certificate to a solicitor who will provide you with advice and to complete the Certificate. You must do this without the property-owning borrower being present, though you can have other people present for this should you wish. You will then need to return the Certificate to us as we won't complete your mortgage until we have received this back from you. This could cause delays and problems with your purchase.

You will also be required to sign a Deed of Waiver of property rights and the Mortgage Deed (or Standard Security in Scotland). This is an important document and you will need to take advice from your solicitor, before you sign it.

Before proceeding with the Independent Legal Advice, you will be required to confirm that the solicitor you're using is registered with the appropriate regulatory body relevant authority:

England & Wales – Solicitors Regulation Authority

Scotland – Law Society Scotland

Northern Ireland – Law Society Northern Ireland

If you don't confirm this and the solicitor is not registered, then we will be unable to reimburse you for any cost incurred as part of this.

What do I need to know about entering into this mortgage?

- **You will not own or have any interests or rights in the property.**
Only the property-owning borrower will be the legal and beneficial owner of the property. You will not own or have any interests or rights in the property, but you will still be responsible for the mortgage repayments. Whilst you are named on the mortgage this position will not change, regardless of any transactions you may make. Unless advised otherwise, we will presume that only the property-owning borrower will require their address updating when the purchase is completed.
- **Responsibility for mortgage repayments.**
All borrowers are responsible for the mortgage repayments. This means that if the property owner failed to make payments, you will be legally responsible for the full repayment of the mortgage, even though you do not own or benefit from the property.
- **Credit file impact.**
If payments to this mortgage are missed, then this could impact your credit file. This could make it difficult for you to apply for further credit. NatWest has the right to pursue all borrowers for the full amount of the mortgage debt, regardless of who lives in or benefits from the property.

This mortgage commitment will be included on any credit affordability assessments that are undertaken. This could therefore limit the credit or borrowing you're able to apply for.

- **Transferring the mortgage to the owner's sole name.**

You will not be able to apply to switch the non-owner to another named non-owner.

Should you and/or the property owner wish to apply to transfer the mortgage into the property owner's sole name during the lifetime of the mortgage, any new application must meet our lending criteria at the time. You should therefore be aware that you may be unable to remove your name from this mortgage and will remain liable for this debt.

- **Break down in relationships and disputes.**

If the relationship between you and the property owner was to break down, a dispute may arise regarding the repayment of the mortgage. You would both remain liable for the repayment of this mortgage in this instance.

- **Tax advice.**

You should seek independent tax advice if you are unsure of the tax implications of the mortgage.

- **Bereavement**

In the event of the death of either borrower, the responsibility for repaying the mortgage remains with the surviving borrower.

- **Future Independent Legal Advice**

We may require you to get additional Independent Legal Advice if you wish to make variations to your mortgage in the future. The cost of this additional Independent Legal Advice will need to be covered by you.