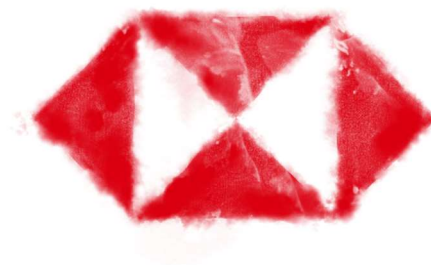


# HSBC UK

## Useful Guide



### Additional borrowing

August 2023

Existing HSBC UK mortgage customers can apply through the intermediary channel to take Additional borrowing, this can be a standalone request or in conjunction with a Product switch.

#### Lending criteria for Additional borrowing

- Your customer is on a Fixed Rate, Term Tracker, Lifetime Tracker or SVR
- Six months since the last drawdown of funds on the same secured property
- Minimum loan amount £10,000
- Maximum term 40 years.

#### What are the benefits?

- Free valuation provided
- No solicitor involvement
- Funds provided when required - immediate drawdown, or six months from Offer and prior to Product switch date.
- Fee free options available
- Potential to align product end dates with ERC free products

#### Standalone Additional borrowing

- No need to wait for the Product switch to become due
- Only new borrowing needs a new LTV product applied

#### In conjunction with a Product switch

- One fee across multiple mortgage parts
- Potential savings across different LTVs

Additional borrowing requests are subject to status and HSBC UK's lending assessment criteria.

Additional borrowing can be used for a number of reasons including:

Purpose	LTV*
Debt consolidation	80%
Home improvements	90%
Business purposes	75%
Deposit / Purchase of another property	90%
Lifestyle reasons	90%

\*Subject to loan size / repayment type restrictions

### Example savings

Valuation £400,000, current loan £280,000 with Additional borrowing of £40,000 for home improvements over 25 years

#### Option 1

- Remortgage to a new lender - 80% LTV - 5 year fixed 5.8%, £999 fee - £2,023 per month

#### Option 2

- Product switch plus Additional borrowing with HSBC UK on 80% LTV - £1,925 per month (existing customer rate 5.29%, £999 fee applied)

#### Option 3

- Product switch £280,000 = 70% LTV - 5 year fixed 5.19%, £999 fee - £1,668 per month
- Additional borrowing £40,000 = 80% LTV - 5 year fixed 5.44%, no fee - £244 per month
- Total payment £1,912 per month

Option 3 could save between £6,660 from Option 1 and £780 from Option 2 over five years

## Additional borrowing exclusions

- Any account in arrears
- More than five existing loan parts
- More than two applicants
- Indirect security applications
- Debt consolidation exceeding £50,000
- Shared ownership / Right to buy or any other properties under special schemes
- Any account with Consent to let
- Marital disputes.

Funds will be released on completion of our satisfactory legal and title checks unless you have requested funds to be released at a later date.

## Application system

### Accessing the existing customer

When completing an application for an existing customer, you will need:

- Mortgage sort code and account number found on the customer's welcome letter or annual mortgage statement, to be entered as one long 14-digit number, no dashes or spaces
- Bank account sort code and the account number of the account that pays the Direct Debit (entered the same way)
- Surname, forename and middle name(s)
- Date of birth
- Postcode.

### Product switches and further advances

- Process the Product switch first, and then the further advance within three working days for it to count as one application
- No amendments can be made to the existing mortgage, including term extensions. The maximum term for a further advance is 40 years subject to current criteria.

## Rates

We have a range of products for existing mortgage customers switching or borrowing more, a selection of these rates will be priced lower than the new business alternative.

## Valuations

### Further advance

An instruction will be sent to our panel of valuers as for a new application. This may result in an automated, desktop or physical valuation.

## Documents

[Packaging requirements](#) for further borrowing is the same as that for new applications.

## Procuration fees

- Additional borrowing - 0.4% of extra lending.
- Product switches – 0.2% of loan amount.

## Accepting the Offer

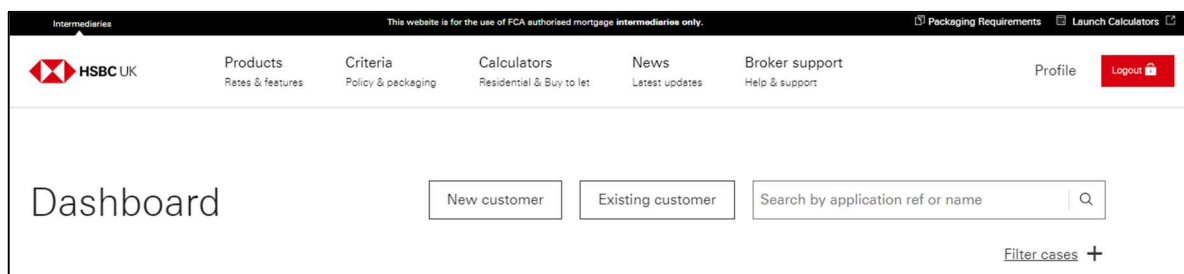
If your customer gives you permission, you may accept the Offer on their behalf.

## Product switch application process

### Validating your customer

#### Step 1

Create your case by selecting the 'Existing Customer' tab on the Broker Platform.



You will need to enter the following customer information:

- Forename(s), surname and date of birth
- Postcode
- Mortgage sort code and account number (entered as one long 14-digit number with no dashes or spaces). This can be found on your customer's mortgage statement, welcome letter or by calling our Broker Support Team (subject to verification questions)
- Sort code and account number of the bank account from which they pay their Direct Debit (entered as one long 14-digit number with no dashes or spaces).

### Mortgage details

Mortgage sort code and account number (without spaces)\* [?](#)

Direct debit sort code and account number (without spaces)\* [?](#)

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### Please select a type of application

Type of application\*

Additional Borrowing

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Before you start, please confirm:

- You have the authority to act on behalf of the applicant(s)
- You have the permission of the applicant(s) to conduct this business and pass information to HSBC UK
- You have read and comply with the Terms and Conditions outlined in this website
- The applicant(s) does not have any arrears on any of the loan parts which are associated with the property and legal title related to this application

## Step 2

Once you have completed the customer information you will see a 'Mortgage Account Summary' screen confirming the outstanding balance, the outstanding term, current rate payable and any ERCs.

Select 'Additional Borrowing' to continue.

## Step 3

You will need to complete the Mortgage Illustration / ESIS and produce the Mortgage Illustration / ESIS. Once completed this can be downloaded for your reference. If you wish to include any Broker fees on the Mortgage Illustration / ESIS this can be done at this stage.

## Step 4

Complete the application details requested, you will need to confirm if the funds are required immediately post offer or to delay. If delayed, the client will need to call the number on the offer to request funds release when required. In all cases, please allow a minimum of three weeks for the funds to be sent, if we expect this to be longer we will contact you to advise.

## Step 5

Submit the Additional borrowing application. The case will then be visible and accessible on your Broker dashboard.

## Step 6

Once we have received a satisfactory valuation the Offer will be produced. You will need to accept the Mortgage Offer on behalf of your customer (if your customer has given you permission to accept the Offer).

## Step 7

Depending on the date keyed for funds release, the Mortgage Service Centre will commence the completion checks and arrange for the funds to be sent to the Direct Debit account details provided.

### Product switch with simultaneous Additional borrowing

If the Loan to Value (taking into account the Additional borrowing) determines both applications are eligible for the same rate, then only one booking fee is payable. Please add the fee to the Additional borrowing application and submit an [Application Amendment Form](#) to have this removed from the application when attaching the required documents to the case.

## Further information

[Chat with us](#), call our Broker Support Team on 0345 600 5847 (Monday to Friday, 9am to 5pm) or contact your [local BDM](#).