



Homebond update and Tech Sector

Homebond on Newly Completed Properties

The purpose of this note is to remind you that Homebond or similar warranty is a condition of approval on newly completed properties.

It is a policy requirement to ensure we are provided with an original certificate from one of the following companies confirming a satisfactory structural warranty/insurance is in place for the property:

- Buildzone
- Global Home Warranties
- Homebond
- Q Assure Build Ltd
- Construction Register (CRL)

The Mortgage Store has a duty of care to its customers and this includes ensuring the property is suitable for a long term mortgage commitment. It is a Law Society requirement that a new house in an estate is covered under Homebond or a similar scheme (Mentioned above) and if that is not available then Purchaser's solicitors should qualify their certs of title to a Lender who would have to take a view on it. Accordingly our offer letter details this warranty as a condition of approval.

There are risks to a customer if we progress on a newly completed property without this cover. This includes the financial burden a customer may face if they require to remediate issues that emerge. There is also a risk that subsequent purchasers of the property may not be able to obtain loan approval due to the lack of Homebond cover and the only suitable purchaser for the property is a cash purchaser limiting the saleability of a property. For properties in Ghost Estates, newly finished but where the property may have been left exposed to the elements there are additional risks of issues emerging on this type of property.

Important notice; please refer to your relationship manager for guidance on the below:

- 1) No new applications should be submitted for approval where homebond or similar (As listed above) is not available.
- 2) For pipeline cases where you have just been notified of this issue.

Tech Sector

You will be aware of the recent news in the tech sector with some companies within this sector announcing redundancies.

Pipeline Applications

The Mortgage Store has a duty of care to our customers. This includes ensuring they can afford their mortgage and that repayments will be manageable over the long term. We have therefore added a checkpoint to our pipeline to check that the customer is not impacted prior to progressing to drawdown.

- We expect that the majority of customers who are proactively seeking to progress are not impacted and the employers are providing confirmation to these customers to support them progressing their mortgage .
- Where your customer is impacted by the announcement but is not looking to progress no action is required at this time.
- Where your customer is impacted and still seeking to progress please contact your relationship manager.

Drawn Applications

If any of our existing customers are impacted and require support and assistance our teams are available to discuss their options at ([01 4883046](tel:014883046)).

Please contact your Relationship Manager for further details or if you have any queries relating to this notice.