

Early Repayment Charges

At a glance

Fixed early repayment charges

Making an early repayment

- The mortgage may be repaid in full at any time
- Partial repayments may also be made, providing there is a minimum loan balance of £10,000 remaining
- Early repayments may be subject to an early repayment charge. If your customer has a product with a fixed early repayment charge, the early repayment charge applied to their mortgage is described in further detail below

How the fixed early repayment charge works

We will look at the date your customer's borrowing completed and the date they request to make the redemption. The early repayment charge is then calculated on the initial advance, cash reserve facility withdrawal or further advance as below:

Capital Select Options (except Cashback variants), Lifestyle Options and Interest Select Options

Year of repayment (end of year)	Percentage of the borrowing payable
0 – 5	5%
6 – 8	3%
9 +	0%

Cashback variants of Capital Select Options only

Year of repayment (end of year)	Percentage of the borrowing payable
0 – 5	8%
6 – 8	6%
9 +	0%

Prestige Options

Year of repayment (end of year)	Percentage of the borrowing payable
0 – 5	10%
6 – 10	5%
11 +	0%

Please note:

- If your customer(s) added the completion fee to the loan it will be included in the early repayment charge calculation
- Our current redemption, or partial redemption, fee will be added to the total redemption amount
- Any cashback is not included in the early repayment charge calculation
- Early repayment charges for partial repayments are calculated on the amount repaid
- Partial repayments on our Interest Select Options are allocated between the two parts of the mortgage (if applicable) in proportion to the outstanding balances at the time of repayment

When is an early repayment charge applicable?

- If the customer redeems part, or all, of their mortgage within the early repayment charge term

When is an early repayment charge not applicable?

- Your customer(s) transfers the mortgage to another property, if the property is acceptable to Canada Life
- Your customer (or the last surviving customer) is moving into long term care (main residence properties only)
- When repayment takes place after the customer's death (or the death of the last customer)
- The early repayment charge term of the mortgage has expired
- On some Options, if your customer wants to repay their mortgage because they are selling their home and downsizing to a different property
- On some Options, if your customer decides to repay their mortgage within 3 years of the date that the first borrower dies or goes in to long term care
- If your customer makes voluntary overpayments allowed under our Capital Select Options

How this benefits your customer(s)

We've designed our early repayment charges with your customer in mind. They are fixed, transparent, and simple to understand. This means that your customer's know where they stand throughout the mortgage term and have peace of mind at the outset.

