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SELF BUILD MORTGAGES

As Northern Ireland's local Building Society, we are delighted to have helped so many people build their dream homes with a Self Build Mortgage. We've put together some useful information to help understand our underwriting process.

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Site

The Society does not lend for the purposes of buying a site.

The site must be owned outright by all named applicants at the point of 1st stage drawdown.

To ensure that a site is suitable for lending purposes, the Society can carry out a site review prior to your submission of an application.

Please provide the approved site map with the proposed security/access outlined (in red) with the relevant Planning Reference Number.

Mortgage

Maximum LTV is 80% of the completed value of the property

Choose from a range of specific Self Build products dependent on LTV.

Self Build Administration fee is payable. This covers all re-inspections and administration costs.

The monthly mortgage repayment will only be calculated on the total amount of funds released.

The mortgage can be taken on an interest only basis during the construction period.

When the build is complete, and on receipt of a satisfactory completion certificate, the borrower will be eligible to complete a product transfer onto one of our standard residential products. (Product Transfer Procurement fee will be payable if arranged by intermediary).

Stages

Stage Payments are available at the following completed stages of construction, subject to satisfactory re-inspection by our Valuer.

Examples of the typical stages of a self build are as follows:

TRADITIONAL BUILD

- ✔ Foundations
- ✔ Wall plate
- ✔ Roofed
- ✔ Plastered
- ✔ Completed

TIMBER FRAME BUILD

- ✔ Foundations
- ✔ Weathertight
- ✔ Roof Covering / External Blockwork
- ✔ Interior First Fix
- ✔ Completed

Packaging Requirements

Approved Site Map with security access edged in red.

All relevant Planning Permissions.

Copy Final Approved Plans stamped GRANTED by the Planning department.

Evidence of additional resources/personal savings to assist build project (if applicable).

Proof of Identity.

Self Build costings may also be requested.

If Employed: Last 3 months' bank statements and payslips. Latest months' bank statement and payslip if under 75% LTV.

Or if Self-Employed: 3 years' HMRC Tax Calculations (SA302s) and Tax Year Overviews. 2 years' SA302's and Tax Year Overviews if under 75% LTV. (Full accounts / additional income information may be requested).

Supporting information

Information and topics which may be useful during discussions with your client(s):

DEPOSIT

The site can act as the borrower's deposit, however, it is prudent to have some personal savings/contingency for the self build.

OVERALL BUILD COSTS

It is important to ensure that the total cost of the build will be met by the amount being borrowed, alongside any personal resources/savings/gifted funds (if applicable).

WARRANTY

The property should have a valid building warranty certificate. The following warranty providers are accepted: National House Building Council (NHBC); Global Home Warranties; International Construction Warranty (ICW); An experienced Professional Consultant with acceptable qualifications and professional indemnity cover (PII)

CONSTRUCTION INSURANCE

This must be in place during construction of the Self build, to include Fire, Theft and Liability. This may be included and provided by the Registered Contractor, or may have to be purchased independently.

MAINS SERVICES

Will the site have accessible mains water and electricity supply?

METHOD OF CONSTRUCTION

The Society will only normally accept applications for Self Build properties that are of a traditional construction method. See above for reference. Please contact your local branch to discuss this further if you have any questions.

Stage Funds Release

PROCESS

Funds will be advanced when works have reached each agreed stage. The Society's Valuer will carry out an inspection prior to each funds release.

RELEASE

If a re-inspection is satisfactory, stage funds are released directly to the acting Solicitor – cleared funds are transferred from the Society's bank account to the Solicitor's bank account.

PAYMENT

Borrowers will only make mortgage payments on the funds that have been released, therefore, monthly mortgage payments will increase as works progress, further stage funds are issued, and the mortgage balance increases.

FINAL FUNDS

The final stage will only be released when the build has reached completion and the completion certificate is available.

Please note that, should all the final stage monies not be required, the borrowers can cancel the remaining funds with no additional costs incurred.

Foreign Currency Self Build

Foreign Currency Self Build mortgages are available. Please refer to Foreign Currency lending criteria for further information.

You can have confidence in recommending Progressive Building Society for your Self Build clients. We have a dedicated, experienced team, who will support and assist you and your clients during the Self Build journey.