

IDD and KFI

Hello and welcome to this short presentation from Market Harborough Building Society - the mortgage world can be very daunting so we are here to help you through the maze of jargon.

Today we are going to discuss two very important documents you should receive and understand when applying for a mortgage - the initial disclosure document and the key facts illustration.

However you choose to contact us, be it in person, on the phone, in writing or via email the initial disclosure document, or IDD as it is often called, sets out what service is being offered to you. There are two types of mortgage service on offer for you to choose from – the advised service where we recommend a mortgage to suit your needs, or, if you are happy to make your own decision on the mortgage that is right for you, we will not provide any advice; rather we ask you some questions to make sure we have a mortgage product in line with your requirements, and we will then give you further information about it.

The initial disclosure document also lets you know whether a fee is payable for providing the mortgage service to you – either the advised service or the non-advised service. You will be glad to hear that here at Market Harborough Building Society we will not charge any fee for either type of mortgage service.

As a potential borrower you have reassurance that mortgages are regulated by a government agency called the Financial Services Authority with the aim of consumer protection. The IDD allows you to check that Market Harborough Building Society, or any other lender, is permitted to arrange mortgages, and tell you what you should do if things go wrong, thereby giving you peace of mind.

Let us now move on to the key facts illustration, or KFI as it is often called. This document is a mortgage quote. You can get several KFIs and compare them to each other to help you make a decision as to which mortgage is best for you.

The KFI is normally 5 pages long and details the terms and conditions of the mortgage selected. It shows vital information – the type and size of the mortgage chosen, the repayments you would make if the loan started immediately, the fees you pay before starting the mortgage, any charges for repaying the mortgage, what restrictions the mortgage has, if any, any additional features of the mortgage such as the ability to take a repayment holiday in the future and finally any incentives to help you with the setting up costs. The KFI also reconfirms the level of service provided – advised or not.

The KFI is detailed and there is a substantial amount of information in it so you can understand the key facts of the mortgage. It can be useful to talk through the KFI with one of our qualified representatives so you can be confident in choosing the Market Harborough Building Society for your mortgage needs.

So in conclusion the initial disclosure document lets you know what service you will be getting from us and whether a fee is due for it, with the key facts illustration providing a comprehensive mortgage quote detailing the terms of a mortgage particular to you.

Thank you for listening. I hope it has been useful. Please give us a call on 01858 412250 and ask to speak to one of our friendly representatives if you want to discuss your mortgage needs further.