

At Pepper Money, we are committed to making the application process as easy as possible for our customers. We have created this short guide to help our customers understand some of the financial words we use in our application pack.

Please read this document before reviewing your Mortgage Application Pack. It will help as some terms may be unfamiliar to you.

If you have any questions, don't hesitate to contact your mortgage advisor or broker, who will be able to help.

We've listed the most common and essential terms here for you below to help you review your mortgage illustration and application with confidence and ensure that the product we've recommended is right for your needs (you can find a complete glossary here: <https://www.pepper.money/glossary>):

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**Advance** - The product that we or your broker has recommended.

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**Affordability Check** - We complete an affordability check to determine whether you keep up your loan repayments now and if interest rates rise.

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**Annual Percentage Rate of Charge (APRC)** - This is the total yearly cost of the mortgage and considers all the charges included in the loan. APRC is used to compare different products easily.

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**Application Form** - The application form submitted by you or on your behalf in connection with the Mortgage.

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**Broker Fee** - A charge from your mortgage broker for the mortgage advice given during the application process if you're applying with one of our broker partners.

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**Early Repayment Charge (ERC)** - This is a fee you might have to pay Pepper Money if you want to end your mortgage deal before the end date agreed. Not all Pepper Mortgages have an ERC applicable to them, you can check if yours will by reading your Mortgage Illustration.

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**Equity** - Equity in your property is the difference between the current property value and the mortgage balances outstanding on your property.

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**Lender Fee** - This is an administration charge made by Pepper Money for arranging your Mortgage.

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**Monthly Repayment** - This is the amount you pay to Pepper Money every month.

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**Tariff of Mortgage Fees and Charges** - This document details costs you will incur during your mortgage term, in addition to those you could be liable for.

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**Term** - The period of time stated in the Mortgage Illustration for the repayment of the Advance agreed between you and Pepper Money.

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**Valuation Survey** - A check is carried out to confirm the value of your property, which allows us to confirm the amount that we can look to lend. A survey can also alert you of any potential issues with your property. Not all applications will require a physical inspection of your property.

THINK CAREFULLY BEFORE SECURING DEBTS AGAINST YOUR HOME. YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR ANY OTHER DEBT SECURED ON IT.

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