

Interest-only

Offset case study

By changing his repayment mortgage to an Interest-only Offset, Ramesh has access to his savings when he needs it, and his savings offset the amount of mortgage interest he pays.

Ramesh (42) has a successful career as an architect for a major housing developer. He has an existing repayment mortgage of £110,000 on his home, and owns four buy-to-let properties. He'd like to renovate two of them so he can sell them.

As a landlord, Ramesh needs to cover his renovation costs



Income
£75,000



Property value
£420,000



Stocks and Shares ISA
Current valuation £400,000



Savings
£40,000 (Transferred into his Offset savings)



More flexibility with an Offset

Ramesh can use his Offset savings to reduce the amount of mortgage interest he pays, but still access money for renovation work and unexpected property repairs if he needs to.

Mortgage amount
£110,000



Ramesh has invested much of the profit from his BTL properties into a Stocks and Shares ISA. He's happy to use his investments to repay the mortgage at the end of the term.

He borrows £110,000 on an Interest-only Offset. This leaves enough equity in the property to meet our criteria and doesn't exceed our maximum 50% LTV requirement.



0800 121 7788 Monday to Friday 9am - 5pm



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Your client's home may be repossessed if they do not keep up repayments on their mortgage.

Coventry Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority (firm reference number 150892 www.fca.org.uk).

Mortgages are subject to acceptance in accordance with our lending criteria. The information in this leaflet is provided for your information only and should not be taken as advice. Legally binding terms and conditions can be found in the mortgage application declaration, the terms and conditions of your mortgage offer and in our mortgage terms and conditions. For more information contact Coventry Building Society.

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