

A guide for the pre-approval mortgage application process

to Anglican Financial Care

Who can apply for a mortgage?

Anglican Financial Care restricts its mortgage lending. Applicants must belong to at least one of the categories listed below.

- » Anglican clergy or clergy widow / widower
- » Clergy - other Christian denomination
- » Employee of a Christian organisation
- » Christian KiwiSaver Scheme member
- » The Retire Fund member
- » Active Church member of a Christian church ⁺

⁺ If *Active church member* is the qualifying category additional information must be supplied in support. A letter or email from a church official confirming active membership in the church.

Application checklist

There is a checklist provided to help applicants make sure they have all the required documentation for the application.

The checklist can be found on pages 3 and 4 of the application form. Your application will not be processed if any information is missing.

Converting weekly and fortnightly payments to monthly

The application form asks for monthly amounts for income and expenditure. If you are paid or receive payments weekly or fortnightly use the following formulas to convert to monthly amounts.

Weekly

If you receive payments weekly then multiply the weekly amount by 52 and then divide by 12.

For example:

Ngaire Rourke is paid weekly for her job. She receives a weekly wage in her bank account of \$852.37. To convert to a monthly amount she does the following:

Weekly amount (\$852.37) multiplied by 52 = \$44,323.24 Then divide the total (\$44,323.24) by 12 =

Total monthly amount received = \$3,693.60

Fortnightly

If you receive payments fortnightly then multiply the fortnightly amount by 26 and then divide by 12.

For example:

Sione Unavalu is paid fortnightly for his job. He receives a fortnightly wage in his bank account of \$2,456.86. To convert to a monthly amount he does the following:

Fortnightly amount (\$2,456.86) multiplied by 26 = \$63,878.36 Then divide the total (\$63,878.36) by 12 =

Total monthly amount received = \$5,323.20

1. This application is for:

Single or joint applicants

Whoever is or will be listed on the title of the property to be mortgaged must complete the mortgage application. If the property is owned jointly but the advance is only being paid by one party then the other people shown on the title must submit acknowledgement of the intent to mortgage and their approval.

For example:

Mr John and Mrs Karen Smith own a property jointly with Karen's parents, Mr David and Mrs Susan Jones. There are four names listed on the title of the property (J Smith, K Smith, D Jones, S Jones).

Mr and Mrs Smith are completing the application as they will be paying the mortgage. Mr and Mrs Jones must submit a letter with the application stating they are aware of the intent to mortgage the property they have an interest in and give their approval.

Even though Mr and Mrs Jones are not intending to make payments towards the mortgage they must sign the term loan documents as they are listed owners on the title of the property.

Trusts or LTCs

The Pension Board will accept applications from family trusts or LTC companies.

There are additional requirements set out by law which must be met for applications received from family trusts or LTC companies. Please refer to the Verification of Identity section of this guide.

Family trusts

All Trustees of the family trust must acknowledge they are aware that a mortgage application is being made in the name of the trust and that they give their approval.

For example:

Mr Jonah and Mrs Lindsey Rata are trustees of a Family Trust. Mr Hemi Ngata, who is their lawyer, is also a Trustee.

Mr and Mrs Rata are completing the application. They have signed the application form and this acts as their acknowledgement as Trustees.

Mr Ngata must supply a letter which states he is aware an application is being submitted in the name of the Trust and he gives his approval.

All the Trustees of the Family Trust will sign the term loan documents.

This satisfies all requirements in this regard.

LTC companies

All directors of the company must acknowledge they are aware that a mortgage application is being made in the name of the company and that they give their approval. If there are any directors of the company who are not completing the mortgage application then they must submit a letter of acknowledgement.

For example:

Revd Tim and Revd Samantha Wilson are directors of a LTC company. Mrs Jean King is an additional director.

Mrs King must submit a letter which states she is aware an application is being submitted in the name of the company and she gives her approval.

This satisfies all requirements in this regard.

2. Personal details

Whoever is intending to make the mortgage repayments and will be listed on the title of the property must complete this section.

Restricted lending requirements for the Active church member category

If you are applying under the Active church member category you must supply supporting evidence from a church official eg. a letter or email acknowledging your active membership in the church.

3. Address

This is the current postal address of the applicants. Please be aware if you are purchasing a new property with the intention of residing in it you will need to update your address details after you have moved.

4. Additional finance sources

If you are receiving additional finance from family, a church organisation, finance company or Liberty Trust please provide their information here. Please list the amount being received and the monthly repayment amount.

If you are receiving a gift or a lump sum payment from another source then this amount should be shown in your assets as well.

5. Lawyer's details

Please provide the contact information for your lawyer. The initial mortgage advance will be paid by our lawyers to your lawyer.

If, at the time you complete the application, you do not have a lawyer, please put "to be advised" in this section.

6. Declaration

This must be signed by all applicants.

7. Finance amount

Requested lending amount

Please be aware final lending limits are determined by the value of the property you eventually purchase. Your available deposit will also limit the amount you may borrow.

Please insert the amount you would like to borrow if you have determined this figure. You might not be approved for the full amount you request.

If you do not know the amount you will need and would like us to calculate the maximum we will lend based on income please put Maximum in this section.

8. Mortgage details

Property intention

Please indicate if you intend to live in the property or if it will be a rental property.

Please note: If the property is a new purchase and intended to be a rental property you must complete the Rental property assessment form located on page 20 of the application.

Type of mortgage

Please indicate what type of mortgage you wish to have.

Interest only - The minimum mortgage repayment covers the interest on the money borrowed. In addition repayments of the capital can be made (regularly or in one-off payments).

Interest only mortgages are for a ten year term. At the end of the term clients have the option of repaying in full or the mortgage can roll over for another ten year term.

Table mortgage - With a table mortgage the balance of the loan reduces over time and will eventually be repaid. Your mortgage payment covers interest and portion of the capital. Clients may choose terms from 5 to 25 years.

Interest rate choice

The Board offers floating, 1 year, 2 year and 3 year fixed term interest rates.

When a property is found you will be asked to choose your final rate from the current interest rates we are offering.

9. Additional security

If you will be using a property you already own as additional security for the mortgage, list the details of the additional property here. Please indicate if the property is currently mortgaged and who holds the mortgage.

10. Council rates

If you currently own a property please indicate if all of the council rates are paid and up to date. If you don't own a property select N/A.

11. Proposed costs for the new property

There are costs associated with a new property for rates, insurance, maintenance etc. These are unknown but must be factored in to determine affordability. We will apply a set amount of \$500 per month for these costs.

12. Family trusts and guarantor

If you are a trustee or beneficiary of a family trust or are acting as a guarantor for another loan please provide details on a separate sheet of paper. If you indicate yes to either of these questions but do not provide additional information we will have to go back to you to request the information which can add time to the processing of your application.

13. Total household income (each month)

Please indicate what frequency the applicants are paid. If you do not receive an income at the time of submission of the income then select N/A.

If you are paid weekly or fortnightly and need to convert to monthly amounts please refer to the instructions on page 1 of this guide.

Payslips

You will need to provide payslips with your application.

- » If you are on a salary and your pay remains the same each pay period please submit three payslips.
- » If your pay is not the same each pay period please submit the number of payslips shown below for each pay period.
Monthly - three Fortnightly - four Weekly - six

Additional sources of income

Please list any additional sources of income. If you will be receiving a housing allowance once the property is purchased you should include this in your additional income. You can list this in “other” category. If you list other income you must identify what type of income it is in the Notes section on page 11.

Rental or boarder income

Please list the total income you receive each month for any rental properties you currently own. If you have any current boarders list this income as well.

Do not list projected income for a new rental property or a new boarder in this section.

In addition you must fill out the Rental property information form located on page 15 of the application.

14. Assets / savings

Please provide information about your assets.

If this is a purchase of a new property it should be apparent in your asset statement where the 20% deposit will come from. We should be able to see money in savings or KiwiSaver etc. which will be used to purchase the property.

Currently owned properties

List the value of your currently owned properties and the address of each. If you are unsure what the value of your property is you may list the capital value shown on your council rates or visit homes.co.nz for an estimated market value.

KiwiSaver HomeStart Grant

If you have applied for or will be applying for a KiwiSaver HomeStart grant you can list this as an asset.

If you have submitted your application but not received approval yet, or have not yet submitted your application please indicate this by placing an asterisk (*) next to the HomeStart Grant box.

You should also indicate in the Notes section on pages 11 the date you submitted your application or your intention to apply.

Bank accounts

Please list the current average balance for your bank accounts. You must supply two months of statements for all of your accounts.

Household contents / Vehicles

You may supply an estimated value.

15. Debts / liabilities

Please provide information about current debt. If your combined debt (not including mortgages) totals more than \$10,000 we will require statements showing a balance of the current debt. If you do not include this, we will request this information from you before we can process your application.

Currently held mortgages

If you have other mortgaged properties please list the amount owing corresponding to the property listed in the Assets section.

Loans

If you have loans (student loans, Liberty Trust loan, or other personal loans) please list the amount owing. You should also provide a statement showing the remaining balance of the loan. If you are unable to obtain a statement you may supply a letter from the lending organisation / person which states the balance of the loan.

Credit cards / Store cards

Please provide information on the amount you owe to each credit card / store card you hold. Please supply two months statements for each card.

Hire purchase / Finance company

Please provide information on the amount you owe for hire purchases or finance company loans. You should supply a statement showing the outstanding balance for each.

Bank overdraft

Please list the overdraft amount on your bank accounts that you regularly use each month.

For example:

Hilary Chapman has an authorised overdraft of \$1,000 on her chequing account. Each month she regularly uses \$200 of this approved amount. In the Bank overdraft area of Section 15 of the application she would put \$200 in this section of the form.

Vehicle finance

Please list the amount outstanding you have for vehicle finance. You do not need to provide a statement of this account.

Other liabilities over \$1,000

Please describe what the liabilities are in the Notes section on page 10.

16. Household expenditure

Repayments on currently owned properties

Please supply mortgage repayment amounts for all currently owned properties.

All mortgage payments are factored into our assessment to determine our maximum lending amount. You should include a statement showing your current mortgage balance with your application for each property you currently own.

Monthly expenditure

Please indicate your monthly household expenditure.

Additional pages

There are several additional forms located at the back of the application form. You should complete and return with this application:

- » Credit check authority
- » Authority to verify identity online (if applicable)
- » Rental property information (if applicable)
- » Rental property assessment (if applicable)
- » Direct Debit authority

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