



Loan information

Find out how you can lend money to enable key Christian workers to live in the communities they are serving.

Mission Housing helps Key Christian Workers and churches to rent or buy affordable homes.

High property prices can prevent key Christian workers from living in the communities they are seeking to serve. We help overcome this hurdle by providing shared-ownerships and affordable tenancies to individuals, couples, and families, along with secured-loans and acting as managing agents for churches and organisations. This is possible because of the generosity of individuals, churches, organisations and trusts who provide loans, enable us to rent their properties at below-market rates, and donate properties to us.

If you make a loan, you'll be joining a group of 282 lenders who are making it possible for 158 shared owners and tenants to live affordably in the communities they are seeking to serve.*

This pack contains all the essential information you need to read before completing our loan pledge form. It also contains links where you'll be able to find more information. However, if you still have questions, please do get in touch. The loan pledge form can be completed online (missionhousing.org.uk/pledge).

Thank you for considering supporting mission in this way.



Bruce McGill
Chief Executive

bruce@missionhousing.org.uk
020 318 4432

*as of 6th December 2022

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**“I share in
God’s
mission by
proxy...
and I’m
reaching
places I
never will!”**

Elizabeth, a Mission
Housing lender.

years – with an option to renew or be repaid at the end of the loan term, or with a commitment until the property is sold. There are two types of loans:

Equity Loan: The value of your loan is linked to the value of the property. At the end of the loan term, you have the prospect of a capital gain linked to the increase in the value of the property. However, if the value of the property falls, you could receive less back than you put in.

The minimum amount for an Equity Loan is £10,000. As the value of an Equity Loan is linked to the value of the property – which can rise and fall – taking a longer-term view is wise.

An example: Equity Loan

If you provided a £20,000 Equity Loan and the property purchase price was £400,000, your loan would represent a 5% share.

If in five years' time the house was valued at £450,000 and you needed your loan repaid, you would get £22,500 back.

Fixed Rate Loan: You can choose interest-free or with interest typically between 0.5% and 2% (depending on the loan amount and term). The interest is added to the rent payments of the shared owner or tenant, or the interest payments of the church / organisation. At the end of the loan term, you'll receive back your original capital investment.

With Fixed Rate Loans we will consider applications for a minimum of £3,000. We will also consider loan terms shorter than five years. Please get in touch, as we will be happy to discuss the possibilities with you.

You can choose for your interest to be paid annually or rolled up (compound interest – paid at the end of the loan term). Interest will be paid net of tax and accounted for to HMRC. An annual tax deduction certificate will be issued.

An example: Fixed Rate Loan

If you provided a £20,000 Fixed Rate Loan with a 1% interest rate for a term of five years.

After five years, regardless of the value of the property your loan is attached to, you would receive £20,000 back. Each year you would have also been receiving £160 net interest (£200 less 20% tax).

“Mission Housing is a real blessing and joy – helping us to put personal savings to better use than we could alone, housing gospel partners in London who wouldn't otherwise afford to live here.”

Adam, a Mission Housing lender.

Here's how the process works:

Step 1: Thinking about it

As you think and pray about making a loan, we're always on hand to answer your questions. Make sure you get the financial, tax and/or legal advice that you need (we're not able to provide you with this advice).

Step 2: Pledging your support

If you would like to proceed, and you've read all the information in this pack, complete the loan pledge (application) form – missionhousing.org.uk/pledge. We will confirm we've received your form and ask you to e-sign a copy of it (using our digital signing service, PandaDoc). If it's linked to a specific property purchase, we will let you know the estimated timescale. (If you would like to complete a paper copy of the form, please contact us.)

Step 3: Checking your identity

Before Mission Housing can accept your loan, we need to carry out identity checks in line with our anti-money laundering policy. We can usually do this from the information you have provided on your pledge (application) form. However, occasionally we will need to contact you and ask for copies of one or two identity documents (e.g. driving license, passport and/or utility bill). We will then confirm, in writing, whether or not your loan has been accepted (if linked to a specific property purchase, this will be subject to exchange/completion).

Step 4: Transferring your loan

If your loan is linked to an existing Mission Housing property, we will send you our bank details so you can transfer the funds (you can also do this by cheque). If your loan is linked to a purchase, we will continue to communicate with you, to ensure you're able to transfer the funds before we need to exchange contracts on the property. If the contract exchange or completion of the property does not happen for any reason, then we will contact you to discuss what will happen next.

Step 5: Signing the loan agreement (the Loan Agreement)

Once we have received your loan (and the purchase is completed – if your loan is linked to a specific property) we will send you the loan agreement for you to sign and return. Our preferred method is using our digital signing service – PandaDoc, but we can post you a paper loan agreement if you prefer.

Step 6: During the loan term

If your loan is an Equity Loan, we will provide you with a statement each year informing you of the value of your loan. You will receive this by the middle of March. If your loan is an interest-bearing Fixed Rate Loan, we will pay your interest annually (in the same month your loan started), unless you have chosen for the interest to be compounded. If your loan is linked to a specific property, and it is sold during your loan term, your loan will be repaid early – unless you choose to reassign the loan to another property.

Step 7: Renewing or returning the loan

We will contact you between six months and one year before your loan term is due to end to ask if you would like to renew the loan or would like the loan repaid. If you would like the loan repaid – and it's an Equity Loan – the value of the loan would be established by a RICS surveyor providing a valuation of the property.

Frequently Asked Questions

Here are some answers to the questions we're often asked. Remember, if your questions are not included below – please do get in touch.

These FAQs do not constitute legal, financial or tax advice. Appropriate legal, financial and tax advice should be sought.

1) What expertise does Mission Housing have in managing accommodation?

Mission Housing was formed in 2014 when two Christian housing organisations (Affordable Christian Housing Association Ltd and Victoria Park Homes 1965) merged – these organisations were founded in 1983 and 1965 respectively. Therefore, Mission Housing has more than 55 years of experience of purchasing, managing and selling properties. Judi Feasey, our Operations Manager, joined in 1999, and is an accredited landlord with the London Landlords Accreditation Scheme (along with two other members of staff). Mission Housing is a member of the National Residential Landlords Association. Our Board contains the expertise and experience we need, including in housing, finance and law.

Mission Housing has 57 shared ownership properties, 18 properties we own to rent affordably, and we are the managing agent for an additional seven properties. (As of 20th October 2022)

2) How will my loan be used?

Your loan will be used to enable MH to provide affordable accommodation to key Christian workers in the communities they are seeking to serve. This may be through:

- *Affordable tenancy*: MH purchases a property which we are then able to rent to key Christian workers.
- *Shared ownership*: MH purchases a property and then provides a key Christian worker with a shared ownership lease for a percentage of the property that they can afford to purchase with their deposit and mortgage.
- *Church-secured loan*: MH lends money to a church (or organisation), so they can purchase a property to house a member of staff or volunteer.

3) What are the income tax liabilities associated with a Mission Housing loan?

You should seek your own, independent, tax advice as to whether income tax is payable or not. However, the normal position for UK taxpayers is that interest received from a Fixed Rate Loan is classed as income to you; therefore, you are liable to pay income tax at the prevailing rate. This is deducted by Mission Housing before forwarding the net interest to you. You should state receipt of such income on your self-assessment tax return for the financial year of receipt of the interest.

If you have made your loan interest-free to Mission Housing, or do not qualify to pay income tax (e.g., you are a charitable organisation) there should be no income tax liability.

4) What are the capital gains tax implications?

You should seek your own, independent, tax advice. However, if the loan is linked to a specific property, the normal position for a UK taxpayer is any increase in the value of the property linked to the Equity Loan could be subject to capital gains tax on repayment of the loan. If there is a decrease in the value of the property and therefore, a loss is made on the original loan, it could be treated as a loss for capital gains purposes.

5) Who maintains and insures the property?

For properties that Mission Housing owns, we will arrange for building insurance on all freehold properties and will pay the service charge on all leasehold properties which includes the insurance premium of those properties. Mission Housing has a full management and maintenance programme for rental properties. The maintenance of shared ownership properties is the responsibility of the shared owner and maintaining the

property to a good standard is a requirement in the shared ownership lease agreement. Properties purchased by a church, with a secured loan from Mission Housing, are owned by the church, and it is their responsibility to insure and maintain the property. It is recommended that insurance of the contents is arranged by those who occupy the property.

6) What happens if the property prices fall?

If the loan is linked to a specific property and the value of the property falls between the date of purchase and the date of sale (or the date the Equity Loan is repaid) an Equity Loan will be repaid in a reduced amount reflecting the percentage fall in the property value. The value of the house (if not at point of sale) will be determined by a RICS surveyor. The repayment of a Fixed Rate Loan is unaffected by any rise or fall in property values.

7) How does Mission Housing set interest rates to pay out for Fixed Rate Loans?

With Fixed Rate Loans, lenders can choose the interest rate they require, based on the limits we have established – which take into account loan amount and term. The lower the interest rates, the lower we can keep our rents.

Mission Housing has undertaken detailed financial modelling to calculate how Mission Housing can cover the costs of administering the loan, managing the property(ies) and various associated risks. Mission Housing offers modest interest rates as we are committed to ensuring the affordability of both our rental, and shared ownership, properties.

8) If the Bank of England base rate increases during the term of the loan, will the interest rate be adjusted?

Interest rates for Fixed Rate Loans are fixed for the period of the loan and will not be adjusted. This does not apply to Equity Loans (which do not bear interest).

9) What happens if building work is undertaken?

If you have an Equity Loan in a property and building work is planned that will impact the value of the property. We will communicate with you about any plans for building work before work commences. You will *never* be required to increase the size of your loan to pay for work on the property. However, if Mission Housing or a shared owner is going to spend capital on improving the property, we will contact you and ask you if you are willing for your equity share to be adjusted accordingly (see example in box). Depending on the circumstances we will decide that either (a) the cost of the work undertaken or (b) the value increase because of the work, is used for the calculations. This will always be confirmed, in writing, before the work is undertaken and if you do not agree you will have the option of your loan being repaid before the work commences.

10) Can I cancel the loan?

Your right of cancellation begins on the date of notification by Mission Housing of acceptance of your application and ends 14 days from that date. If you give notice of the loan being cancelled within this 14-day period, you will receive your money back with no interest. You may not cancel your application at any time thereafter until the loan period has expired.

Under exceptional circumstances (for example, you are facing severe financial hardship), with 12 months written notice, the loan may be cancelled and repaid, without interest or capital gain. This will be solely at the discretion of Mission Housing.

The property was purchased for £500,000 and you provided a £50,000 Equity Loan – which represents a 10% share.

Before the building work commences, the property was valued at £550,000 – meaning the value of your Equity Loan was now £55,000.

The shared owner spent £40,000 on building works. Therefore, before work commences, we agreed that your share in the property would now be 9.32%. ($£55,000 / (£550,000 + £40,000)$) Your loan held its value of £55,000.

When the property is revalued after the building work is complete, the property is valued at £620,000. Therefore, the value of your loan would now be £57,797.

If the loan is linked to a specific property and the contract exchange or completion of the property does not happen for any reason then you have the right to have the loan cancelled and repaid, without interest or capital gain.

11) How will the loans be repaid?

Between six months to one year before your loan term ends, we will ask you whether you would like to renew your loan or have the loan repaid. This gives us time to make plans accordingly.

If you would like your loan repaid, we would do this from new funds raised in advance. If many lenders wish for their loans to be repaid at the same time, and if it's not possible to find new lenders, Mission Housing would sell properties in order to pay back lenders.

12) What is the guarantee that I will get my money back?

Your loan is an unsecured loan to Mission Housing. We expect to repay you the full amount of your loan value at the repayment date. However, with an unsecured loan we, as with any organisation, are unable to offer any guarantee regarding full repayment. Please note, if your loan is linked to a specific property, it is not secured on that property. We therefore encourage you to consider the loan carefully. We believe that this is relatively low-risk and that you can have confidence in the loans available. Mission Housing works hard to manage the various risks involved.

13) What happens in the event of my death?

The loan will be repaid to your executors within three months of their request for repayment – and on receipt of a copy of your death certificate, unless you have made provisions in your will for it to be forgiven on your death. If the loan is forgiven it would become a gift to Mission Housing and may be exempt for inheritance tax purposes. Please make your own enquiries as to potential tax liabilities.

14) Can I gift my loan to Mission Housing?

Yes, and we are delighted when people do this – as it enables us to retain, and purchase more, properties, so that we can support more key Christian workers in the future. If you are a UK taxpayer, we can provide the necessary forms for you to complete so we can claim Gift Aid on the donation.

15) Do I have to pay legal costs, estate agent fees or stamp duty?

If the loan is linked to a specific property, lenders do not contribute toward the legal costs or stamp duty when the property is purchased. However, equity lenders will pay a percentage of the fees associated with the sale of the property – if the property is sold while your loan is still active. Fixed-rate lenders will not have to contribute toward legal costs or estate agent fees at any point.

The property was purchased for £500,000 and you provided a £50,000 Equity Loan – which represents a 10% share.

Eight years later the property is sold for £700,000 and the cost associated with the sale came to £7,000 (e.g. estate agent and solicitors fees).

Therefore, your loan repayment would be £69,300. (10% of £693,000).

Useful links

Annual report and accounts (missionhousing.org.uk/accounts)

Read our latest annual report and audited accounts, to find out more about the shared owners and tenants we're supporting and get a better understanding of our financial position.

Current opportunities (missionhousing.org.uk/opportunities)

Updated 06/12/22

Read about the people we're currently looking to raise loans for so we can enable them to afford to live in the communities they are seeking to serve.

Board members (missionhousing.org.uk/board)

Find out who is on the Mission Housing Board and the experience and expertise they bring.

Staff team (missionhousing.org.uk/staff)

Find out who's who on the Mission Housing staff team and the essential part they each play.

Terms and Conditions

These are the terms and conditions of a Mission Housing loan. Please read carefully, and contact us if you have any questions.

What these terms cover. These are the terms and conditions on which we provide a facility to you for the provision of loans to Mission Housing (MH).

Why you should read them. Please read these terms carefully before you submit your application to us. These terms tell you who we are, how we will provide services to you, how you and we may change or end the contract, what to do if there is a problem and other important information.

When we refer to 'you' in the loan documents, we refer to you as a lender to MH. "We" refers to MH.

1. DEFINITIONS

The following definitions apply in these terms:

- 1.1 **Business Day:** a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.
- 1.2 **Equity Loan:** has the meaning given to in the loan information pack provided b MH to you.
- 1.3 **Fixed Rate Loan:** has the meaning given to in the loan information pack provided b MH to you.
- 1.4 **Loan Agreement:** the loan agreement in the form provided by MH pursuant to which you provide a loan to MH.
- 1.5 **Market Value:** means the market value with vacant possession of a property at the time the shared owners' notice has been received by MH, even if the shared owners intend to remain in residence.
- 1.6 **MH Loans:** has the meaning given to it in clause 3.2.
- 1.7 **New Relevant Percentage:** the Relevant Percentage agreed in the Loan Agreement for an Equity Loan as amended pursuant to clause 5.6.
- 1.8 **Original Relevant Percentage:** the Relevant Percentage prior to the agreement of the New Relevant Percentage.
- 1.9 **Property:** as defined in the Loan Agreement.
- 1.10 **Relevant Percentage:** as defined in the Loan Agreement for an Equity Loan.
- 1.11 **Repayment Sum:** is the amount to be paid to you in respect of the Equity Loan.
- 1.12 **Sale Proceeds:** means the gross sale price of the Property less the reasonable conveyancing costs and disbursements and VAT of the estate agents and solicitors acting in connection with the sale of the Property.
- 1.13 **Valuer:** an independent RICS valuation surveyor.

2. INFORMATION ABOUT US AND HOW TO CONTACT US

- 1.1 **Who we are.** We are Mission Housing Limited (17128R), a registered Society under the Co-operative and Community Benefit Societies Act 2014 with its registered office at 8 Belmont Hill, London, SE13 5BD.

- 1.2 **How to contact us.** You can contact us by telephoning us on 020 8318 4432 or by writing to us at info@missionhousing.org.uk or 8 Belmont Hill, London, SE13 5BD. If you have a complaint, write to or telephone us. Please note that MH will not tolerate verbal or physical abuse towards its staff.
- 1.3 **How we may contact you.** If we have to contact you we will do so by telephone or by writing to you at the email address or postal address you provided to us in your application.
- 1.4 **"Writing" includes emails.** When we use the words "writing" or "written" in these terms, this includes emails.

2 PURPOSE

- 2.1 To purchase affordable property on behalf of individuals (including couples and families) and organisations (including churches) to enable Christian workers and volunteers to live where they work or nearby.

3 ELIGIBILITY

- 3.1 Applicants must be resident in the United Kingdom and be at least 16 years of age. In the case of joint applications, all must sign.
- 3.2 Applications to MH for a Fixed Rate Loan or Equity Loan (together Fixed Rate Loans and Equity Loans will be referred to as the **MH Loans**) may be refused by the Board of MH without giving any reason. A contract will not exist between us until we have notified you that your application has been accepted in writing and cleared funds have been received by MH from you via a personal cheque or bank transfer.

4 FIXED RATE LOANS – INTEREST AND REPAYMENT

- 4.1 A Fixed Rate Loan shall be repaid at the end of the term to the bank account details held on the pledge application form for any MH Loans. It is your responsibility to update those records during the loan period, if necessary.
- 4.2 Interest may be payable on a Fixed Rate Loan in accordance with MH's current loan table and the percentages and frequency you stipulated on the application form.
- 4.3 Interest is payable after deduction of tax at the prevailing basic rate and an R185 will be sent with the repayment.
- 4.4 Shortly before the maturity date MH will send to you a notice inviting you to extend your MH Loan or request confirmation you wish the MH Loan to be repaid at the end of the term. Extended MH Loans can be reissued on different terms to any existing MH Loans at MH's discretion.
- 4.5 If the repayment is rejected by your bank, then MH will stop paying you interest from the date the repayment is rejected. MH will write to you to request updated details. In respect of the principal which remains unclaimed for a period of 5 years from the date first rejected by your bank, it will be deemed a gift to MH.
- 4.6 It is permissible for MH, at its sole discretion, to repay a Fixed Rate Loan before the maturity date. MH is not required to give a reason, although it is likely to be a result of the sale of properties, loans being repaid to MH, or shared owners staircasing (increasing their share of the property).

5 EQUITY LOANS – INTEREST, REPAYMENT, AND CHANGES TO RELEVANT PERCENTAGES

- 5.1 Equity Loans are not interest bearing.
- 5.2 Equity Loans are linked to a specific property and the value of the loan is connected to the value of the Property, as stated in the Loan Agreement as the 'Relevant Percentage'.
- 5.3 At the end of the loan term MH shall apply to a Valuer to determine the Market Value of the Property. The Valuer's determination will be final and binding on all parties. The Repayment Sum will be equal to the Market Value multiplied by the Relevant Percentage.
- 5.4 It is permissible for MH, at its sole discretion, to repay a Fixed Rate Loan before the maturity date. MH is not required to give a reason.
- 5.5 If the Property is sold before the end of the loan term the loan will be repaid within 20 Business Days of the completion of the property sale. The Repayment Sum is calculated by multiplying the Sale Proceeds from the Property by the Relevant Percentage, provided the sale is at arm's length and is for the full market value.
- 5.6 If the sale is not at arm's length the Repayment Sum is calculated by multiplying the Relevant Percentage by the Market Value (as determined by an independent RICS valuation surveyor) less the reasonable conveyancing costs and disbursements and VAT of the estate agents and solicitors acting in connection with the sale of the Property.
- 5.7 An early repayment – in full or part – may be required for loans linked to shared ownership properties or church-secured loan, if the shared owner staircases (increasing their share of the property) or a loan (in part or full) is repaid early. Where there are multiple lenders linked to the Property, and we wish to make an early repayment in part, volunteers will be sought to have their loans repaid in full or in part (with preference to loans due to expire within five years). If no volunteers can be found, all lenders connected to the Property will have their Relevant Percentage reduced, and the Repayment Sum of the difference calculated by multiplying the Market Value by the 'Original Relevant Percentage' minus 'New Relevant Percentage'. We will agree a new loan agreement reflecting these new terms. The Market Value will be determined by a Valuer. The Valuer's determination will be final and binding on all parties. There may be the option of transferring your loan to another property.
- 5.8 On occasions, there may be reason to recommend an adjustment to the Relevant Percentage, for example, if MH, a shared owner, or an additional lender, is providing capital to extend or significantly refurbish the Property. MH will communicate the plans to you before work commences, outlining the situation and making a proposal as to how the Relevant Percentage will be adjusted and how the Market Value will be agreed before and after the work. The plan will need to be agreed, in writing, before the work is undertaken and if you do not explicitly agree, your loan will be repaid before the work commences. If you do not respond after MH has written to you twice, and the 20 days has passed since the date of the second such communication, your assent to the proposal will be presumed.

6 IN THE EVENT OF YOUR DEATH

- 6.1 In the event of your death the MH Loan will be repaid to your estate even if the term of the MH Loan has not expired within 3 months of being instructed to do so by your executors of your estate and on receipt of your death certificate. If you have indicated that your MH Loan will be forgiven on death when it would become a gift to MH (or person or organisation) please ensure your wishes are reflected in your Will. You should take your own tax advice on the consequences of any such forgiveness.

- 6.2 If the loan is in joint names, on the death of the first lender, the loan will transfer solely into the name of the surviving lender.

7 LOAN RANKING

- 7.1 MH Loans shall rank *pari passu* equally and rateably without discrimination or preference as an unsecured debt obligation of MH for the punctual payment of the principal and interest in respect of it and for the performance of all the obligations of MH with respect to the loan.

8 CANCELLATION

- 8.1 Your right of cancellation begins on the date of notification by MH of acceptance of your application and ends 14 days from that date. If you give notice of the MH Loan being cancelled within this 14 day period you will receive your money back with no interest. You may not cancel your application at any time thereafter until the MH Loan period has expired.
- 8.2 Under exceptional circumstances with 12 months written notice the loan may be cancelled and repaid, without interest or capital gain at the discretion of MH. Exceptional circumstances will be evidence of severe financial hardship of you.

9 ILLEGALITY

- 9.1 MH may have to prepay the MH Loan, if any law or regulation is introduced or changed, or there is any change in the way any court or regulatory authority interprets or applies any law or regulation which makes it unlawful to allow any MH Loan to remain outstanding.

10 INFORMATION

8.1 You must supply MH with up to date contact details on request and whenever such details change.

11 NOTICE

11.1 Any notice required to be given to MH under these Terms and Conditions shall be in writing (which includes email) and may be given either personally, by email, or by sending it by post in a prepaid envelope addressed to MH at its registered office or to such other address as MH may from time to time notify to the loan holders for the purpose.

11.2 A notice given or sent by you to MH shall not be effective unless and until received by MH's Company Secretary. Any other notice given or document sent by post within the United Kingdom shall be deemed to be received at the expiry of 48 hours (if sent by first class mail) or 72 hours (if sent by second class) after the time it is posted and in proving receipt it shall be sufficient to prove that the envelope containing the notice or documents was properly addressed, stamped and posted. In the case of email the notice shall be deemed to be served on the day of transmission if sent before 4.00pm and if sent after 4.00pm shall be deemed to be served on the next following working day.

12 DATA PROTECTION

12.1 By completing the MH Loan application form you consent to MH holding personal data about you in accordance with the General Data Protection Regulation. MH does not sell or exchange mailing lists. In signing the application form you (each of you if more than one is applying) confirm you understand that the personal information that you have given on the application form and give during the term of your loan will be retained by MH on computer and other records. You also understand that your personal information and details may be:

12.1.1 used to process your application; provide the services you request; deal with enquiries you make or authorise to be made and contact you regarding your loan;

12.1.2 used for market research purposes; developing products and services; statistical business analysis; and creating and maintaining a customer profile;

12.1.3 disclosed to appropriate regulatory authorities (including regulators of voluntary codes of practice); auditors; any other body having legal right to the information or anyone you appoint to administer or operate your holding of the loan;

12.1.4 used to investigate complaints and disclosed for auditing purposes;

12.1.5 used to check your identity to ensure MH meets money laundering regulations;

12.1.6 used to identify and tell you (by telephone, post or other electronic media) about any products and services that might be beneficial to you.

10.2 MH will not share any information about you and your loan to any third party for marketing purposes. You have the right to receive a copy of the information we hold about you if you request such disclosure in writing.

13 MONEY LAUNDERING

13.1 MH complies with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2014, the Proceeds of Crime Act 2002 and other rules and regulations relating to money laundering. Accordingly MH is required to verify the identity of any applicant. You may be asked to provide further details about yourself. If satisfactory evidence of identity is not provided this may result in delays to processing your application and may even result in it being rejected. Any monies then returned to you will be without interest.

14 ASSIGNMENT

14.1 A MH Loan is not transferable in any circumstances.

15 GOVERNING LAW AND JURISDICTION

15.1 The laws of England & Wales apply to this contract. The courts of England and Wales have exclusive jurisdiction. English language is the definitive language.

YOU SHOULD KEEP A PAPER COPY OF YOUR APPLICATION FOR YOUR RECORDS.

Annex – EXTRACT FROM THE RULES

BORROWING

7. The Society shall have the power to borrow money from its Members and others in order to further its Objects providing that the amount outstanding at any one time shall not exceed £100,000,000.
8. The Society shall have the power to mortgage or charge any of its property, including the assets and undertakings of the Society, present and future, and to issue loan stock, debentures and other securities for money borrowed or for the performance of any contracts of the Society or its customers or Persons having dealings with the Society.
9. The rate of interest on money borrowed, except on money borrowed by way of bank loan or overdraft or from a finance house or on mortgage from a building Society or local authority, shall not exceed 5% per annum or 2% above the Bank of England base rate at the commencement of the loan, whichever is the greater.
10. The Society may receive from any Person, donations or loans free of interest in order to further its Objects but shall not receive money on deposit.

Risk factors and important information

It is important that you are aware of all the risks associated with a Mission Housing loan.

This information does not constitute legal advice.

1) Governance

Mission Housing is a Registered Society, registration number 17128R, engaged in the business of housing Key Christian Workers. Mission Housing is registered with the Financial Conduct Authority (FCA) who may be contacted at fca.org.uk. Please note that Mission Housing is not regulated by the FCA. The full rules of the Organisation are available from the registered office on request.

The information provided in your application requires your detailed attention. You should read the Terms and Conditions, FAQs document and details in this risk factors document before proceeding further. If you require advice, you should consult a bank manager, solicitor, accountant, stockbroker or Independent Financial Adviser authorised under the Financial Services and Markets Act 2000 (FSMA 2000). This communication is not intended to be distributed or passed on directly or indirectly to any other person. It is supplied to you and for your information only. Mission Housing is not an authorised body under FSMA 2000. Any loan is not covered by the Financial Services Compensation Scheme. Mission Housing is not a member of an Investor Protection Scheme.

2) Data Protection

See the Privacy Information (page 14) and clause 12 of the Terms and Conditions (page 10).

3) The Property Market

Mission Housing's principal assets are in property ownership and management. A collapse in the property market could result in a significant write-down in the carrying values of the portfolio and may result in a breach of banking covenants. The Mission Housing bank loans are secured against some of the freehold property portfolio. The Mission Housing Board consider that the overall level of gearing is manageable and the risk of a breach of covenant highly unlikely.

4) Unsecured Debt

The loan will be an unsecured debt of Mission Housing. In the event of Mission Housing entering into a formal insolvency process, loan holders will rank equally with other unsecured creditors of Mission Housing and behind secured creditors and may not recover their full investment.

5) Interest Rates

An increase in bank interest rates could impact the surpluses generated by Mission Housing and its ability to service the debt or restrict its ability to raise bank debt in the future. It is possible bank debt will be used as a method to repay some of the loans in the future so this issue could be significant for future loans.

6) Redemption of Loans

The loan is contractually due for repayment at the end of the term stated in the application. Loan holders are advised that your loan is an unsecured loan and therefore, as with any organisation, it is not possible for Mission Housing to provide a formal guarantee regarding full repayment. The Mission Housing Board is confident that the repayment of loans will be financed either by the low-cost loans or ultimately the sale of

properties. The Mission Housing Board is confident of its ability to plan and manage the business and financial resources in order to repay the loans on their due date.

7) Voids

There is always a risk that properties purchased will have voids in tenancies.

8) Taxation

You should take your own tax advice on the consequences of making a loan. Income tax is normally payable on interest paid on the loan and this will be deducted at source. The amount taken will be at the current HM Revenue and Customs rate. This is subject to change in accordance with any variation in tax law and practice, which may also affect any returns to loan holders.

9) Risk Warning

If you have any doubt about the action you should take or the suitability for you of applying to Mission Housing to provide a loan, you should contact your Independent Financial Adviser (authorised under FSMA 2000) or other appropriately qualified adviser. Your loan should be seen as a social investment. Applying for a Mission Housing loan is not suitable for anyone who needs income from investments or immediate access to their capital. There is always a risk that you could lose some, or all, of your money.

10) Staircasing

This is the process of buying some or all of the remaining shares in a shared ownership property. In order to buy more shares, a valuation by an independent surveyor would need to be conducted to determine the current market value of the property. However, it is likely that the missional worker who has bought equity in the property would continue to staircase until all of the equity was owned by the missional worker, or the property is sold outright if the missional worker moves on.

If the missional worker staircases to 100% (they purchase the property from Mission Housing) or the property is sold outright by Mission Housing, lenders would have their loans repaid at the point of sale. Lenders may be given the option to reassign their loan to another Mission Housing property.

If the missional workers staircases upwards, but not to 100%, Mission Housing might need to return some money to lenders. We follow this order:

- 1st) Mission Housing reduces its own capital in the property.
- 2nd) All lenders would be approached to see if anyone wants their loan repaid – with priority given to lenders whose loans are due to expire within the next five years.
- 3rd) All lenders would have a percentage of their loans repaid.

Privacy information

Your privacy is important to us and we're committed to protecting it. This information is specific to lenders, to find out more about how we handle data, please read our privacy policy: missionhousing.org.uk/privacy-policy

Mission Housing is the 'controller' of the personal information which you provide in the application form which means that Mission Housing is responsible for it. The following are the details of Mission Housing:

Address: 8 Belmont Hill, London, SE13 5BD

Email: info@missionhousing.org.uk

Telephone: 020 8318 4432

Registration number: 17128R

ICO registration number: Z6792074

If you have any questions or concerns about the manner in which we handle your personal information, please contact our **Operations Manager on 020 8318 4432 or judi@missionhousing.org.uk**.

With the exception of the information which you provide about causes which you might be interested in helping in the future, Mission Housing collects and uses the information you provide in the application form for the purpose of entering into and performing the contract with you. This information is required, and you would not be able to enter into the contract you apply for if you do not provide it.

Your contact details and the information you might provide about causes you might be interested in helping may be used for sending you marketing information about subsequent loans and bond issues only if you consent to receive such information in the 'Communications' section of this form. You have no obligation to consent and refusal to do so will not have any adverse consequences. To the extent that Mission Housing relies on consent, you may withdraw consent at any time by contacting the operations manager. Please note that this would not affect the lawfulness of anything done by Mission Housing on the basis of your consent until the moment consent is withdrawn.

The information you provide in the application form will be accessible to staff and contractors of MH who might process the information on behalf of Mission Housing such as our IT contractors. There may be circumstances where the information may be shared with our lawyers and accountants and situations where we have a legal obligation to disclose the information or we are required or requested to do so by a competent authority or regulatory body such as the police, a court or the Financial Conduct Authority.

If you consent, Mission Housing will also share your contact information with the Mission Worker which your funding supports. This will not be outside the European Economic Area.

The information provided in the application form will be held by Mission Housing until the expiration of 12 months following the end of the project to which it relates unless Mission Housing is required by law to keep this information for a longer period or if a longer period applies under Mission Housing's Retention Schedule. Information about your preferences with regard to subsequent loans and bond issues, being information used solely for marketing purposes, will be deleted promptly if you request Mission Housing to do so by contacting the operations manager. Deletion and destruction of the information will be done in a secure manner.

As a 'data subject' you have a number of rights under data protection law, most notably the right to gain access to the information which Mission Housing holds about you. Other rights are the right to rectify personal information, the right of erasure, the right to restrict data processing, the right to object to processing and the right to data portability. If you have any questions about these rights or would like to exercise them please contact the operations manager.

Complaints about the way Mission Housing collects, handles and uses personal information can be made to the Information Commissioner's Office here: <https://ico.org.uk/concerns/handling>.