

Jargon Buster

Term/Abbreviation	Definition
Account balance	This is the amount of money in your account.
Additional borrowing (Further advance)	This is when an existing mortgage customer wishes to borrow more.
Additional charges	You may receive additional charges such as arrangement fees or completion fees related to your chosen mortgage product. These will be shown in the mortgage illustration provided. If you are using a mortgage broker, they may also have fees that you will have to pay.
Additional Permitted Subscription (APS)	An additional ISA allowance that is available to the surviving spouse or civil partner of a deceased ISA holder. This is available on top of your normal annual ISA allowance.
Administration Fee	The fee charged for the administration involved in arranging the loan.
Advance	Sometimes called the loan. This is the actual amount of money that we agree to lend you.
Affordability	We must establish that you are able to afford your mortgage both now and in the foreseeable future.
Affordability Assessment	An affordability assessment works out how much you might be able to afford to pay back on your mortgage based on your income and outgoings. An affordability assessment usually involves a credit check which will leave a hard footprint on your record.
Agreement and Undertaking	Used for anyone in the property who is not on the mortgage deed but is over the age of 17 when you take out a mortgage or remortgage. This prevents them from claiming squatter's rights if the property may need to be repossessed.
AML	Anti-Money Laundering
Annual Equivalent Rate (AER)	This shows what the interest rate would be if interest was paid and compounded once each year. This allows you to compare products more easily.
Annual percentage rate charge (APRC)	APRC stands for the Annual Percentage Rate of Charge used to compare loan offers. This is the total cost of credit expressed as an annual percentage of the total amount of credit.
Arrangement Fee	A set-up fee for your loan. Most lenders will allow you to add this fee to your loan, but this will mean you pay interest on the fee for your whole mortgage term.
Arrears	The term used to describe overdue payments where a borrower has failed to keep up the monthly mortgage payments. You are in arrears if you have missed one or more mortgage payments and you should contact

	us as soon as possible if you are struggling to make your payments. We will always do our best to help you.
Automated Valuation Model (AVM)	An AVM is the name given to a service (system) that can provide property valuations using mathematical modelling, combined with a database of information on property values
BACS	This stands for Bankers Automated Clearing System, which is used to send money payments electronically between banks.
Bank of England Base Rate	Base rate usually means the Bank of England base interest rate. Savings and mortgage interest rates are normally determined by base rate (along with other factors).
Base rate tracker mortgages (*NOT currently available)	Where the interest rate goes up and down in line with the Bank of England Base Rate. The rate you pay may be a specific rate above or below the base rate and you may start off on a lower rate, but this could potentially rise in the future.
Beneficiary	The person who owns and benefits from the funds held in a savings account.
Binding offer	The Society will issue a binding mortgage offer following receipt of an acceptable mortgage application.
Bond	A bond is a savings account which will earn a fixed or variable rate of interest over a set period of time. Bond terms can vary, usually between 1 to 5 years and the longer the term the higher the rate of interest tends to be. These accounts are suitable if you do not need access to your savings and can invest a lump sum of money for a fixed period of time.
Borrower(s)	The person or persons to whom the Society lends the money for a mortgage. If there is more than one borrower all parties to the mortgage are responsible for repaying the full amount of the mortgage.
Broker /Intermediary	An agent who can advise you about, and sell you, products like insurance or mortgages. Brokers may be independent or tied to a large network.
Building Society	A building society is a type of financial institution that provides mortgages and savings accounts to its customers. Many of a building society's customers are also members - the society is run for the benefit of members rather than shareholders.
Buildings Insurance	Insurance that covers you for damage to the structure of your home. A lender will require you to have this in place when you take out a mortgage.
Buy to Let/Consumer Buy to Let/BTL/CBTL	Buying a property to rent out as an investment.
Capital & Interest Repayment	Your monthly payment covers the interest and also reduces the total balance outstanding.

Capital (Mortgage)	The amount of money you borrow to buy a property.
Capital (Savings)	Your capital is the overall amount of money invested.
Capital Payment	When a borrower makes a one-off payment to reduce the outstanding balance on their mortgage.
Capped / ceiling rate	A variable rate mortgage with a guarantee that your interest rate will never go above a preset limit (the cap/ceiling) during the product period.
Carbon Dioxide or CO₂	CO ₂ is the main greenhouse gas created by humans and our homes currently account for around 22% of UK carbon emissions. An increase in greenhouse gases will trap more heat in the atmosphere and could make the earth too hot for humans.
Carbon Emissions	The amount of CO ₂ gasses we release. The lower your carbon emissions, the less you'll contribute to climate change.
Care & Protection Order	A legal document from the High Court in Northern Ireland appointing a Controller to manage an individual's financial affairs if they become mentally incapable.
Cashback mortgage	With this type of mortgage, the lender will give you a certain amount of cash on completion. You should factor this into the total cost of your mortgage over the initial period to decide whether it's a good deal.
CCJ	County Court Judgement. These are made against you for non-payment of debt, and could make it harder for you to get a mortgage. Even when satisfied, a County Court Judgement will remain visible on your credit file for a number of years.
CHAPS	An electronic transfer system which allows you to transfer money to and from your savings account with same day clearance. CHAPS may be a chargeable service so please refer to our Tariff of Charges for further information.
Climate Change	A change in global or regional climate patterns. The more CO ₂ we release, the more sunlight gets trapped in our atmosphere. The more sunlight gets trapped, the hotter the climate becomes.
Collar / floor rate	A variable rate mortgage with a guarantee that your interest rate will never go below a preset limit (the collar/floor) during the product period.
Completion	Refers to the date your mortgage term begins, after your application has been accepted and the loan has been released.
Contents insurance	Insurance that covers damage to, or loss of, your belongings from fire, flood and theft, among other things.
Controller	The name given to a person appointed by the High Court in Northern Ireland to manage an individual's financial affairs if they become mentally incapable.

Conveyancing	The legal process you must go through when you buy or sell property. This work will usually be undertaken by a solicitor or licensed conveyancer.
Counterparty credit risk	Counterparty credit risk is the risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows.
Covenant(s)	A covenant is a provision, or promise, contained in a mortgage deed. There are two different types of covenant, positive and restrictive. A positive covenant requires some form of action to be taken, such as repair or maintenance of the property, or building a boundary fence. A restrictive covenant limits or prevents the use of land such as no alterations to the property without consent, not to park certain vehicles on the land, or not to erect satellite dishes.
Credit check	When you make an application for a mortgage all lenders will carry out a credit check to see how you have managed your finances in the past. A credit check will usually leave a hard footprint.
Credit Reference Agency	Credit reference agencies provide factual information, about how you have managed your existing and previous credit arrangements, so that we can make a decision about whether to lend you.
Credit Report	This is the report produced by the credit reference agency, detailing your credit performance.
Customer identification	We are required to confirm the identity of all customers who open a new account. To prove your identity, either an electronic check will be carried out or documents such as a passport or driving licence may be required.
Daily interest	The interest chargeable on the outstanding mortgage balance is calculated every day rather than at the end of each week, month or year.
DD	Direct Debit
Debt Consolidation	The process of combining existing credit arrangement(s) or liabilities into one loan and making a single monthly payment
Decision in Principle (DIP)	Sometimes known as an Agreement in Principle or Mortgage in Principle, it gives an indication as to how much you could borrow. A DIP is for illustrative purposes only and doesn't provide all the information you need to choose a mortgage.
Default	A default occurs when a debtor is unable to meet the legal obligation of debt repayment. A default will be registered on your credit file and may affect your credit rating and your ability to borrow in the future. Your home may be repossessed if you do not keep up repayments on your mortgage
Dependant	Someone who is financially dependent on you

Deposit (Mortgage)	This is the amount you are required to put down yourself towards the cost of the property.
Deposit (Savings)	A deposit is an amount that you pay into a savings account.
Discounted-rate mortgage	A discounted-rate deal is one where the interest rate you are charged is a set amount less than our standard variable rate (SVR). For example, if our SVR was 5.5% and the discount is 1%, you would pay 4.5%. This is a variable rate and should the SVR increase or decrease, the rate you pay would alter too.
Disposables	Single use items such as plastics e.g. plastic forks. These kind of items are used once then thrown away. Because disposables often can't be recycled, they make their way to landfill. This is bad for the environment, which is why we're encouraged to cut down on our use of disposables.
Dormant account	A dormant account is one that has had no transactions made on it for at least 15 years.
Early repayment charges (ERC)	A charge which may apply if you repay your mortgage early or make an overpayment that's more than your annual overpayment allowance. They will normally apply during the initial period of your mortgage deal being in place.
Energy Efficiency	Using less energy (therefore spending less money) to get the same result.
Energy Performance Certificate (EPC)	An energy performance certificate gives a rating of how energy efficient a home is and also recommends how its efficiency could be improved.
Equity	The difference between the value of your property and the amount of any outstanding loans secured against it (i.e. the amount you own outright).
ESIS	This document shows you all the key information you need when choosing a mortgage. You can use it to compare different mortgages with different lenders. Also known as a mortgage illustration.
Fact Find	Allows a mortgage advisor to gather accurate information regarding your personal circumstances such as employment, affordability, dependants etc. This enables the advisor to ascertain any needs and circumstances he/she needs to take into consideration before recommending an appropriate mortgage
Faster Payments Service	An electronic transfer service which allows you to make money transfers into your savings account from accounts held elsewhere by the next business day.
Financial Conduct Authority (FCA)	The FCA is the Financial Conduct Authority, a regulatory body in the UK. The FCA regulates financial firms providing financial services to consumers and operates independently of the government.
Financial Difficulties	Financial problems or financial pressure is a situation where money worries are causing you stress. From

	<p>time to time customers may experience financial difficulties due to unemployment, sickness, relationship breakdown or changes in personal circumstances. It is important that if anything like this happens the Society is advised as soon as possible.</p> <p>For more information on financial difficulties or mortgage arrears please visit www.theprogressive.com, contact the Society by telephone or call into one of our branches.</p>
Financial Ombudsman Service (FOS)	The official independent complaints service, which works to resolve complaints between consumers and businesses that provide financial services. If we cannot resolve the complaint to your satisfaction you have the right to refer your complaint to the Financial Ombudsman Service.
Financial Services Compensation Scheme (FSCS)	The Financial Services Compensation Scheme can pay compensation to depositors if a financial institution is unable to meet its financial obligations. Most depositors are covered by the scheme. At Progressive we are covered by the Financial Services Compensation Scheme.
First legal mortgage	Also known as first charge mortgage. This means that the loan takes priority over any other borrowing secured on your property, if your property is sold the first charge will be paid off first.
First Time Buyer	A person buying their first property.
Fixed rate	An interest rate that stays the same for a set period of time.
Fixed rate mortgage	A mortgage where the interest rate charged is fixed for a set period, usually between two and five years. This means you can be sure what your mortgage payments will be each month throughout the period.
Foreign Currency Loan	<p>If any part of your income, used in assessing affordability for the mortgage, or if any asset to be used to repay the mortgage balance, is in any currency other than sterling your mortgage will be treated as a foreign currency loan.</p> <p>The Society will only accept Euro or US Dollars as an alternative currency to sterling.</p> <p>You must be resident in Northern Ireland.</p> <p>Not all lenders accept foreign currency loan applications. Acceptance of foreign currency loan applications will be subject to the Society's current lending criteria.</p>
Freehold	You own the building and the land it stands on. See 'Leasehold' for comparison.
Full structural survey	Also known as a builder's survey. This is the most thorough type of survey and is used to uncover any structural issues with the property. It is often used in older properties.

Greenhouse Gases	A gas that contributes to the greenhouse effect by absorbing infrared radiation. Carbon dioxide and chlorofluorocarbons are examples of greenhouse gases.
Gross (interest, rate)	The taxable rate of interest without deduction of income tax.
Ground rent	A charge you may have to pay to the freeholder if you own a leasehold property.
Guarantor	A third party who agrees to meet the monthly mortgage repayments if you are unable to.
Help to Buy: ISA	A savings account designed for those who are saving for their first home. You can pay in up to £200 per month (a lump sum of £1,200 in the first month) and the government will add a bonus of 25% when you buy a house, provided your closing balance is between £1,600 and £12,000. The bonus is capped at £3,000.
HM Revenue & Customs (HMRC)	HM Revenue & Customs (HMRC) is a government department which is responsible for the collection of taxes, the payment of some forms of state support and the administration of other regulatory regimes including the National Minimum Wage.
Homebuyer's Report	A survey done on the property by a registered surveyor. This is instructed by the buyer as a way of confirming if the property value is in line with current market prices, and if there are any signs of work that are needed. They are usually less thorough than a full structural survey, or building survey.
ICP	Internal Complaints Procedure
Income Multiple	The way some lenders work out how much you may be able to borrow, by multiplying your annual income. Income multiples only give an indication of what you may be able to borrow and all mortgage applications submitted will be subject to an affordability assessment.
Income tax	This is a tax which is payable on any income you earn.
Inheritance Tax (IHT)	A tax paid on the estate – the money and property – of a deceased person.
Instant access	Instant access accounts are an option if you want to save but also have quick access to your money when needed. These accounts are suitable if you want easy access to your funds with a variable interest rate that is paid annually.
Interest (Mortgage)	This is what you pay the Society on top of the amount of money you initially borrowed. Interest rates can go up and down, or they can be fixed.
Interest (Savings)	This is what the Society pay you if you keep your money with them. Interest rates can go up and down, or they can be fixed.

Interest only mortgage	A mortgage where you only pay back the amount you are being charged in interest each month. The amount of money you borrow does not decrease over the term of the mortgage and you will need to find another way to repay the original loan at the end of the mortgage term.
Insulation	When something is insulated, the temperature on the inside isn't affected by the temperature outside. In the context of your home, it means keeping warm air in and cold air out. If your house is well-insulated, warm air won't escape, meaning you'll use less energy to keep your home warm.
ISA (Individual Savings Account)	An ISA is a type of savings account which is not taxed by the government. The government sets a limit on the amount of money you can save in any one tax year. The tax year runs from 6 April one year until 5 April the following year.
ISA allowance	Each tax year, every UK resident aged 16 and over gets an annual tax-free allowance, this amount can vary. The tax year runs from 6 April to 5 April the following year.
JISA	Junior Individual Savings Accounts
Joint mortgage	This is a mortgage taken out by two or more people which might be used if you were buying a property with a partner, friend or relative.
Jointly and severally liable	The responsibility of all mortgage borrowers to repay the mortgage. This means that if there are two people named on the mortgage and one person misses the payments, the other person is still legally responsible to pay the full amount of the mortgage each month, not just their share.
Land Registry Fee	A fee charged to register your details in the Land Registry records once you have bought a property or changed lenders. Your solicitor will advise you on this and will arrange for payment of this fee on your behalf.
Leasehold	You own the building but not the land it stands on, and only for a certain period (anything up to 999 years). You may find it hard to get a mortgage if there are fewer than 80 years left on the lease of the property you want to buy.
Legal costs	these are the fees you pay to a solicitor when you take out a mortgage.
Lender	Typically the bank or building society you have your mortgage with.
Life insurance/Life assurance	A contract between you and an insurer which will pay out a cash sum if you die during the term of the policy.
Loan	Sometimes called the advance. This is the actual amount of money that we agree to lend you.

Loan to value (LTV)	This is the proportion of the mortgage compared with a property's value. It's expressed as a percentage, so an £85,000 loan on a £100,000 property would be an LTV of 85%. The LTV you have affects the mortgage rates available to you.
Maturity	The day when an account reaches the end of its fixed term.
Maturity date	The date when money placed in a fixed term account reaches the end of its term.
Maximum Balance	The maximum amount you can invest in an account as specified in its key product information.
Member	Anyone who has a qualifying account such as savings or a mortgage account with Progressive Building Society. Our customers are 'Members' because we are a mutual society.
Monthly interest	Where interest is paid on a monthly basis, rather than an annual basis.
Monthly repayment	The amount you pay us every month. If you're on a repayment mortgage, your monthly amount will be an element of capital plus interest and calculated in such a way that the loan will be repaid in full at the end of the mortgage term.
Mortgage	A loan provided by a bank or building society (the "lender") to a person buying a property (the "borrower").
Mortgage Advance	The actual amount of money we lend you
Mortgage deed	A formal contract between lender and borrower, outlining the legal obligations of the borrower and the rights the lender has if the borrower fails to make a repayment.
Mortgage Discharge Fee	(sometimes called a Mortgage Exit Fee) A fee charged by the lender for releasing the legal charge over your property following repayment of a mortgage.
Mortgage term	The amount of time you are taking the mortgage out for – 25 years, for example.
Mortgage valuation	A check made by mortgage lenders to see if the property is worth the money they are lending – not the same as a survey.
Mortgagee	The lender or institution which provides the funds for the mortgage.
Mortgagor	The borrower taking out the mortgage.
Mutual	A financial institution owned by its members as a mutual organisation, being a mutual means that we are owned and run for the benefit of our many members.
Negative equity	When the value of your home falls to a level that is below the amount remaining on your mortgage.

Nominee	A person operating a savings account on behalf of another person (the beneficiary) i.e. a parent holding an account on behalf of a child.
Non-renewable energy	A type of energy that will eventually run out. This means once it's gone it's gone. Fossil fuels, e.g. coal, oil and gas, are all types of non-renewable energy. While these are powerful sources of energy, releasing a lot of energy for a small amount, they also generate a lot of CO ₂ .
Northern Ireland Co-ownership	The scheme is managed by the Northern Ireland Co-ownership Housing Association. Co-ownership allows you to part-buy and part-rent your home. You must buy a percentage of the value of the property through a mortgage. You pay rent on the remaining share of your home
Notice Account/Period	An account which requires a specific period of notice to be given by the account holder before money can be withdrawn.
Offer (of Advance)	A document which sets out the terms and conditions of a mortgage contract between you and the Society.
Part & Part mortgage	This is a combination of both repayment and interest only mortgage. For example, a loan of £50,000 could be made up of £30,000 repayment and £20,000 interest only, so there would be a remaining capital balance of £20,000, plus any fees and charges which have been debited, to repay at the end of your mortgage term.
Passbook	You may be issued with a passbook when you open a new savings account. It helps you keep a record of your account balance and it must be produced when you make a withdrawal.
Payment deferral (also called Payment holiday)	An arrangement between yourself and the lender to allow you to stop or reduce your monthly payments for an agreed period.
Payment difficulties	If you are experiencing payment difficulties, it's best to get in touch with us as soon as possible and we will do our best to help you.
Penalty	When a notice period applies to an account a penalty may be incurred for an immediate withdrawal or the closure of an account, subject to the account terms. The penalty would usually be calculated on the amount withdrawn.
Permanent resident	to be considered a permanent resident, you must have indefinite leave to remain in the UK and you should consider the UK as your home.
Portability	A portable mortgage allows you to transfer your borrowing from one property to another if you move, without paying arrangement fees.

Power of Attorney	A written legal document that gives an individual the authority to act for another person.
Power of Consolidation	If you have more than one mortgage with us on different properties we can require you to redeem all, both or neither.
Product Fee	The fee payable to obtain a particular product. Where fees are chargeable on any mortgage product, this will be clearly stated on any promotional items and the Key Facts Illustration. In some circumstances, this fee can be added to the loan, however, if you chose to do this you will pay interest on the sum added.
Product switch	During your mortgage term, if a more attractive or suitable mortgage product becomes available, you may be able to switch your product to this one. However, this may incur extra charges, especially if you are still within your fixed / discount rate period.
Prudential Regulation Authority (PRA)	The statutory body responsible for the prudential supervision of banks, building societies, insurers and small number of significant investment firms in the UK. The PRA is a subsidiary of the Bank of England.
Rebuild cost	The cost of rebuilding your home if it is destroyed, used for insurance purposes
Redeem/Redemption	The process of repaying a mortgage in full. Paying off a mortgage before the end of a mortgage term is referred to as “early redemption” or “early repayment”.
Remortgage	When you change your mortgage without moving house. You can do this to save money, to change to a different type of mortgage or to release equity from your home.
Renewable Energy	A type of energy that will not run out. Solar energy comes from the sun, this will not run out another example is wind power.
Repayment mortgage	Also known as a capital and interest mortgage. A mortgage where your repayments each month cover the interest on the mortgage and pay back some of the capital borrowed. Eventually at the end of the mortgage term you will have repaid the debt, unlike an Interest-Only mortgage where you will still need to pay back the capital borrowed.
Repayment strategy	This is the means by which you choose to pay off the amount borrowed on an Interest Only or part and part mortgage when the mortgage term comes to an end. You need to check with us to make sure that your chosen repayment strategy is acceptable to the Society.
Repayment vehicle	This is needed for interest only mortgages. It is the means that you plan to use to repay the capital for the mortgage at the end of the term.

Repossession	If the borrower defaults on payments, the mortgage lender may retake possession of the property. This is the last resort for mortgage lenders and they will usually try to come to an arrangement to have the mortgage paid back if the borrower is experiencing financial difficulties.
Representative APR	Refers to the interest rate that at least 51% of those accepted for that product will get. Up to 49% of the remaining applicants may be charged higher APR.
Representative example	An example of the costs associated with a mortgage based on the mortgage lenders typical borrowers. This will show the monthly repayments, the total amount to repay, including the amount of interest to pay, and any fees there are to pay.
Rules	The Society's rules which regulate the relationship between us and you, our savers and borrowers. All Members receive access to the rules
Searches	Checks carried out by solicitor during the conveyancing process e.g. planning proposals or other matters, which might affect the future saleability of the property
Security	The property and / or the funds used by the lender to ensure the repayments of a loan are met.
Shared ownership	You buy a share of a property (usually between 25% and 75%) and pay rent on the remaining share, which is owned by the local housing association.
Stamp Duty (Land Tax) / SDLT	Government tax you may have to pay on the purchase price of a property. The percentage you pay varies according to the purchase price of the property
Standard Variable Rate (SVR)	This is the default mortgage rate determined by the Society, which is applicable after your initial mortgage deal period ends. This could be higher or lower than your original rate and can go up as well as down over the period of the loan. You need to ensure your monthly budget allows for variation in your mortgage payment.
SO / Standing Order	A standing order is an automated payment that you can set up from your current account. It will send a regular payment (normally monthly, quarterly or yearly) to the person or company you wish to pay.
Statement	A statement of interest is issued to you annually and shows the amount of interest you have received on your savings.
Statement of Deduction of Tax	This will show you how much interest you have earned on your account during a specific tax year. These can be issued to you on written request and can be used when claiming any tax back from HMRC.
Structural Survey	The most comprehensive type of building survey

Summary Box	A Summary Box is the key product information about a savings account. It is designed to provide suffice information on an account to enable a comparison with other savings products.
Sustainable	If something is sustainable, it means it's not being used up as quickly as it's being replaced. To be sustainable requires two things: that you use renewable sources of energy, and that you are being energy efficient.
Switching	When a customer moves to a new mortgage with the same lender, e.g. their fixed rate period ends and they move to a discount rate mortgage.
Tax Free	The interest paid is exempt from income tax.
Term (Mortgage)	The length of time over which your mortgage loan is to be repaid.
Term (Savings)	The term is the period of time your savings runs for.
Tie-in period	This is the period during which you are 'locked in' to your mortgage deal. You'll have to pay an early repayment charge if you leave your mortgage during this period. Avoid mortgages that tie you in after your introductory rate has ended.
Tracker mortgage	The interest rate on your mortgage tracks the Bank of England base rate at a set margin above or below it. The Society does not presently offer tracker mortgages.
Transfer Deed	The legal document which transfers ownership of registered land.
Transfer of equity	When you transfer a proportion of the ownership of the property to someone. This can be as a result of a marriage or divorce, where a person is added or taken off the mortgage.
Trustee	A Trustee is someone who is appointed to hold the funds in the account for the benefit of the beneficiary. There will be a Trust document naming the Trustee.
Underwriting	The process that a lender uses to assess the creditworthiness or risk of a potential customer.
Valuation	All mortgage approvals are subject to the property having a mortgage valuation carried out on behalf of the Society. Depending on the mortgage product on offer at the time of application, a fee may be payable for this.
Variable rate (Mortgages)	The interest rate on your mortgage can go up or down in line with the prevailing rate at the time.
Variable rate (Savings)	Variable rate savings accounts mean the interest rate can go up or down in line with the prevailing rate at the time.
Vendor	The term used to describe the seller of a property