



ISLAMIC MORTGAGE INITIAL DISCLOSURE DOCUMENT



25 Canada Square, Level 33, Canary Wharf, London, E14 5LQ

REGULATED MORTGAGE CONTRACTS & HOME PURCHASE PLANS

The Financial Conduct Authority (FCA)

The FCA is an independent watchdog that regulates financial services. This document is designed to be given to consumers considering buying certain financial products. You need to read this important document.

Home Finance Products

We offer an Independent Advice service for home purchase plans (both also referred to in this document as home finance transactions or arrangements) we search the whole market and give you an unbiased Islamic mortgage solution for your needs.

Subject to meeting the lending criteria, which apply to both the property and applicants for finance we can offer regulated mortgage contracts and regulated home purchase plans where the funding will be used for a business purpose, whether solely or partially; and also offer home finance transactions where the funding is not used for any business purposes.

Some the home finance provision is unregulated. We will ask you to answer a few initial questions to enable us to identify whether our services fall within the scope of UK regulation, to identify the type of home finance you are seeking and how any relevant rules will apply to our services to you; and will notify you of our conclusion and its consequences for you.

We do not provide Bridging Loans, Reversionary Mortgages, Lifetime Mortgages or Debt Consolidation Loans.

Key Lending Criteria applicable to the Property and Applicants

Applications must meet all of the following requirements:

- The property must be in England or Wales;
- The amount of finance sought for a home finance transaction must exceed £250,000;
- The finance sought for a home finance transaction must not exceed 60% of the property value;
- The duration of any lease must be at least 40 years beyond the term of financing sought for a home purchase plan and at least 20 years beyond the term of financing sought for a regulated mortgage contract;
- Newly built properties or properties in blocks with local authority use are subject to further restrictions for home purchase plans; and no loans on such properties are made for regulated mortgage contracts;



Portillion Capital Ltd is registered in England and Wales. Registration No. 08288087.
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FCA No. 597038. Registered office: Level 33, 25 Canada Square, Canary Wharf, E14 5LQ

- We do not lend to any applicant who has had County Court Judgements or other significant credit defaults in the last 3 years.

Regulated Mortgage Contracts

The regulated mortgage contracts we can offer are limited to a small range of types of transactions which currently include:

- Repayment Mortgages
- Interest-Only Mortgages
- Part Repayment & Part Interest-only Mortgages (in very limited circumstances)

What is an Islamic Mortgage?

There are several ways that Portillion Capital Ltd can structure an Islamic Mortgage or home purchase plan (HPP) so that they are sharia compliant. Some of the products used are explained below.

Ijara works as a leasing arrangement: The lender buys something for a customer and then leases it back to them. Different forms of leasing are permissible, including those where part of the instalment payment goes toward the final purchase. This might be used to help you buy a car or other item, or to help a business buy equipment.

Ijara-wa-Iqtina is a similar arrangement, except that the customer is able to buy the item at the end of the contract.

Murabaha works by the lender supplying goods for resale to the customer at a price that includes a margin above the costs, and allows them to repay in instalments. This might be used to provide a mortgage on a property. The property is registered to the buyer from the start.

Musharaka is a joint venture in which the customer and the lender contributes funding to an investment or purchase and agree to share the returns (as well as the risks) in proportions agreed in advance.

Wakala is an agreement that the lender will work as the individual's agent. If a saver enters into this type of agreement, we can use their cash to invest in sharia-compliant trading activities to generate a target profit for them.

Like a traditional mortgage you can put down a deposit and then set a fixed amount to repay every month.

Regulated Home Purchase Plans

The regulated home purchase plans that we offer will be independently reviewed and ensure they are compliant within the sharia principles of lending



The Costs of our Services

Before you incur any costs we will provide you with details of the basis of our remuneration and other costs of entering into a home finance transaction with our recommended lender.

When we have sufficient information about a proposed transaction you will receive either a Key Facts Illustration about a particular regulated mortgage contract; which will tell you about any fees relating to it; or customers seeking a home purchase plan will instead be given a Financial Information Statement and Risks and Features Statement. A suitably updated version of the Key Facts Illustration or Financial Information Statement as applicable will also be provided to you if after assessing your application the lender makes a formal offer to you.

The basis for the fees we currently charge for arranging is explained below.

Our costs for Arranging Financing

1. Application Fees

For regulated mortgage contracts, an application fee of 0.75% of the total advance is payable on completion of the transaction if the application is made directly to us, but an application fee of

1.25% will apply to any applications received through the involvement of an introducer. The effect of these application fees is that for financing of £500,000 the fee for a direct applicant would be £3,750 and the amount of finance that you will receive towards the purchase would be £496,250; and if the application involved an introducer the application fee would be £6,250.

For home purchase plans an application fee, based on the same percentages as application fees for mortgage contracts, is payable on completion of the transaction for the costs involved in purchasing the property and for on-going service and administration. The effect of the percentage application fees is therefore as shown in the mortgage application fee example above.

The actual fee payable to us for any home finance transaction will be detailed in the Offer letter. The application fee is not charged if you do not complete the transaction, but is non-refundable upon completion.

2. Legal Fees and Expenses

If we refer a solicitor to you from our panel of solicitors we may receive a fee for this referral, we shall write to you and inform you of the referral fee to be paid to us.



Our Costs for Administration

You will pay a one off application fee of £200 to start your application which is non-refundable this will be taken off the 0.75% owed to us on completion.

Additional information relating to costs of home finance transactions

All of the above fees and charges are likely to be increased in the future in order to ensure that we are reimbursed for the costs reasonably incurred by us.

What to do if you have a complaint

If you are dissatisfied with any aspect of our regulated home finance services you should communicate this to a member of our staff. Your normal contact should take the details of your complaint and where appropriate take prompt action to resolve the matter to your satisfaction. Sometimes it may be necessary to escalate the matter to a more senior and independent person. In this case you may wish to contact the Head of Department or the Head of Compliance by writing to Portillion Capital Ltd, 25 Canada Square, Canary Wharf, London E14 5LQ. The telephone number of the Head of Compliance is +44(0)20 70388020.

We aim to investigate your complaint promptly and will provide you with our findings, conclusions and details of any action that we propose to take to resolve the matter. If you remain unsatisfied then you may be entitled to refer your complaint to the Financial Ombudsman Service. This right only exists if the home finance activity is regulated and may be restricted depending on the type of customer categorisation applicable to you.

The Financial Ombudsman Service can be contacted by the following means:

- post to: The Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR;
- telephone to: the consumer help line on 0800 023 4567 (which is normally free for people ringing from a “fixed line” phone but charges may apply if you call from a mobile phone) or 0300 123 9 123 (but calls to this number are charged at the same rate as 01 or 02 numbers on mobile phone tariffs) or +44 20 7964 0500 if calling from abroad. Alternately calls can be made to the switchboard on 020 7964 1000 (or +44 20 7964 1000 if calling from abroad);
- email: complaint.info@financial-ombudsman.org.uk
- website: www.financial-ombudsman.org.uk





Are you covered by the Financial Services Compensation Scheme?

Mortgage and Home purchase advising and arranging is covered up to a maximum limit of £85,000. Further information about compensation scheme arrangements is available from the Financial Services Compensation Scheme (FSCS). The FSCS also provides information to claimants and potential claimants about the way the FSCS works and the procedures that need to be followed when making a claim. The FSCS can be contacted at 7th Floor, Lloyds Chambers, 1 Portsoken Street, London E1 8BN, or by telephone or fax (Tel: 020 7892 7300 or Fax: 020 7892 7301), or by e-mail (enquiries@fscs.org.uk). Information about the operation of the FSCS and how to claim is also available from the FSCS website (www.fscs.org.uk).

Legal and Regulatory Status

Portillion Capital Ltd is authorised and regulated by the Financial Conduct Authority. Our Financial Services Register number is 597038. You can check this on the Financial Services Register by visiting the Financial Conduct Authority's website www.fca.org.uk/firms/systems-reporting/register or by telephoning the FCA on 0800 111 6768. Portillion Capital Ltd is registered in England and Wales (company number 08288087). Our registered office is Portillion Capital Ltd, 25 Canada Square, Canary Wharf, London E14 5LQ.

**Please think carefully about the product and services you need.
If you want information or advice on any of our home finance products, please ask.**

YOUR HOME MAY BE AT RISK IF YOU DO NOT KEEP UP WITH PAYMENTS ON YOUR HOME FINANCE AGREEMENT



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