



Gifted Deposits: An Essential Guide

A gifted deposit is a sum of money that is typically given by a family member forming all or part of a deposit for somebody wanting to buy a property. It is not usually possible for friends to gift a deposit as most lenders will not accept this option.

There are some important points to consider

- The person gifting the money should seek independent legal advice to understand they will have no interest in the property and no right to get their money back.
- It is possible to loan money to family and have it repaid on sale of the property i.e. take a legal charge over the property. Again, seeking independent legal advice is a must and this would also have to be agreed by the mortgage provider.
- The mortgage product will not change because of the gifted deposit as most lenders are satisfied with family gifts. However, most lenders will not accept other third party giftors such as friends.
- The gifted deposit can be used in conjunction with the applicant's own savings and/or an help to buy ISA

IMPORTANT we need to have proof of ALL deposit information before submitting the application.

Money Laundering and FCA compliance requirements

We are required by law to confirm the identification of each person gifting a deposit. **We also need to prove with documented evidence where the funds to be gifted have come from. Please see below.**

Certified Proof of Identification

We will need certified proof of identification from the giftor/s. This can be a passport or driving license. Either option will need to be officially certified. This can be done by a Solicitor, the charge for this is usually between £15 – 20. The Post Office offers a very good document certification service, for full details and costs please visit www.postoffice.co.uk/identity/document-certification

3 months bank statements

We need to have a clear audit trail of where the gifted deposit monies have come from including any transfers. We will require the latest 3 months' bank statements for any account/s that the gifted deposit money is being taken from. It is essential that these statements clearly show the giftor's name and current address, as well as the full account details.

Letter to go to the lender's/solicitors.

We will provide you with a completed letter ready for the giftors signature. Once signed this can be returned to us by post or scanned and emailed back to us.

Releasing the funds to be gifted.

Your Solicitor will advise you when the funds will need to be transferred. Please allow for any notice periods for example some savings/investment accounts require one month's notice or possibly longer.

Please see the details below of how to Contact Us and we will be delighted to help you with any specific queries you may have regarding deposits or any other matter relating to your house purchase.

Our Advisers and Administration team are very experienced in dealing with Gifted Deposits and will help you through the whole process.

Contact Us

For more information about anything relating to your house purchase or move, your mortgage or protection, please get in touch with one of our Advisers...

Email: info@swmortgages.com

Call: Bristol office 0117 325 1511, Bath office 01225 584 888 or Exeter office 01392 690 888

Please visit one of our websites

www.bristolmortgagesonline.com

www.bathmortgagesonline.com

www.exetermortgagesonline.com

Please note that the information provided in this guide is meant as a general guide as we are not authorised nor act in any capacity for any legal, tax, or other service outside the provision for researching mortgages and protection products. We recommend you seek advice from specialist within each field of expertise. The information is correct at the time of production but is subject to change and as such we cannot be held responsible for its content.

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YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE