

Green & Ethical Mortgages

If you're thinking of buying a property or if your existing mortgage is up for renewal, this guide will help you find a green and ethical provider.

Why go green and ethical?

A mortgage is the biggest loan most people are likely to take out in their lifetime. But just how is this loan funded? Might your mortgage provider lend to big corporations involved in areas you don't approve of? And does it offer any green mortgage products? You should always find out what kind of bank or company you're dealing with before signing on the dotted line.

The big issue: responsible lending

The importance of responsible lending cannot be overstated. The recent global economic downturn is often attributed to the 'sub prime crisis'. This refers to the granting of loans to people who are considered to be in higher risk categories – those more likely to default or who have a poor credit history, for example.

This type of lending is not problematic in itself - credit unions and community development finance institutions regularly lend to sub prime candidates.

Instead, *irresponsible* lending to customers in the sub prime category is the problem. In the build up to the 'crunch' some financial institutions were lending 100% mortgages (and in some cases more) to people who would not be able to make their repayments in the long term.

Key questions to ask: What's your bank's track record on responsible lending? Does it have policies that ensure that its products are targeted and marketed appropriately? And does it provide advice or debt management services if its customers fall into financial difficulty?

What next?

Search the YourEthicalMoney.org database to find out about the green and ethical performance of your current or prospective provider on issues such as responsibility toward customers, financial exclusion, environment and equal opportunities.

If you care about climate change and the environment there are a range of eco-friendly mortgages available, including:

- [Co-operative Bank's Green Mortgage and re-mortgage](#)

The bank also offers a reduced-rate loan to mortgage customers wishing to purchase and install energy efficient home technologies from an approved list.

- [Ecology Building Society](#)

The Ecology Building Society offers a number of [green mortgage options](#).

- [Norwich & Peterborough Building Society](#)

This building society offers a [Green mortgage](#) which plants 40 trees per mortgage and available for new homes with a Standard Assessment Procedure (SAP) rating of 100 or higher or to those looking to make their home more energy efficient. It also offers a [Brown mortgage](#) which includes a free energy survey and advice on making property energy efficient.

Your mortgage is the biggest loan you're likely to take out in your life. Get it from a provider with conscience.