

A Guide To Re-mortgaging Your Home

with



DALES
Independent Mortgage Advisers

P N DALES LTD, are an Independent Financial Advisers specialising in mortgage advice. We help our clients find the most suitable mortgage for their needs, after researching the whole of the market. Our independence means we work for you and not the lender, we will get you the best deal and not just sell you what we've got. Each lender has different requirements, so we will tell you which one you fit best, and help with what features may be of benefit to your circumstances.

Our principal Philip Dales has been advising clients on their financial planning needs for nearly 20 years. Our service is tailored to each client, so whether you are in the Armed Forces and find yourself away from home frequently or you're round the corner from one of our offices, while your mortgage is being processed we will communicate with you in a way that works for you.



About the guide

This guide is only meant to be a general short guide and while you are reading though it you may have many question that have not been covered, maybe you want to understand the help to buy scheme or you are self employed and want to know how many years books you will need, feel free to email advice@pndales.co.uk or call our **0333 772 0501** (local rate even from a mobile) and we will endeavour to help.



A Guide To Re-mortgaging Your Home

It always makes sense to review your mortgage from time to time, to make sure that you are getting the best deal for you.



Switching your mortgage

You can switch the mortgage on your home from one lender to another and onto a new deal – without the stress or hassle of actually moving home.

Even if you are currently on a fixed rate deal, it is worth reviewing your mortgage and doing the maths, to see if (even with early redemption penalties) you could be better off.

There are plenty of reasons to re-mortgage:

- Getting a better rate or lower monthly repayment.
- Wanting your monthly payment to be a fixed amount (a fixed rate of interest).
- Borrowing additional funds for home improvements.
- Getting a mortgage that is more flexible.

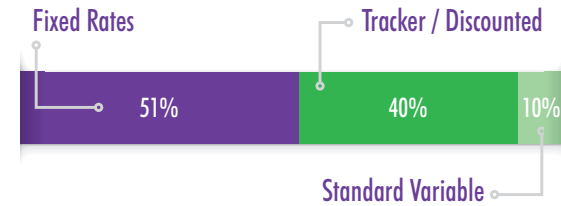


Different types of mortgage deal

Most deals are for 2/3 or 5 years, with 7 and 10 year deals sometimes being available, nearly all will have an arrangement fee of some description and an increasing trend of a booking fee on initial application, to cover the lenders initial administrative costs.

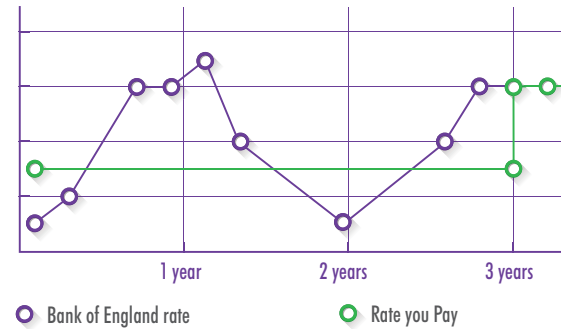
UK Mortgages Breakdown

Total UK households with mortgages - 11.74m

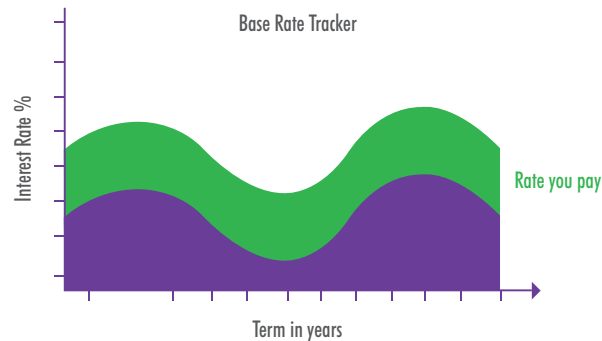


Source: Council of Mortgage Lenders

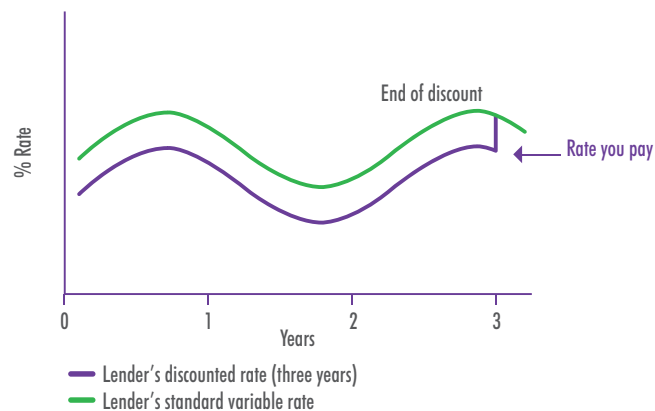
- **Fixed rates** - many homeowners like to know exactly what their monthly payment is going to be. This leaves you less affected by interest rate changes, and fundamentally helps with budgeting. You can decide to fix for 2-10 years, the interest rate may be a bit higher than the standard rate but for the piece of mind it gives, many people take this option.



- **Tracker rates** - these mortgages track at a fixed percentage above the Bank of England base rate so your monthly payment can go up as well as down, these deals typically last for 2 or 3 years although sometimes lifetime tracker are available.



- **Discounted rates** - this type of mortgage has a percentage discount from the lender's standard variable interest rate (SVR), for a specific length of time, typically 2-3 years. Your mortgage payment will go up or down in line with the lender's standard variable rate.



Discounted rates are similar to the Bank of England tracker but with one important difference, the lender's SVR is set by the lender, so if interest rates fall, the SVR will not necessarily follow. Speak to us for more info on this.

- **Interest only mortgage** - since the Financial Conduct Authority's mortgage market review, which came into force in April 2014, interest only mortgages are virtually unobtainable for standard purchases. However it can still be available for some remortgaging clients, please contact us to discuss your situation.

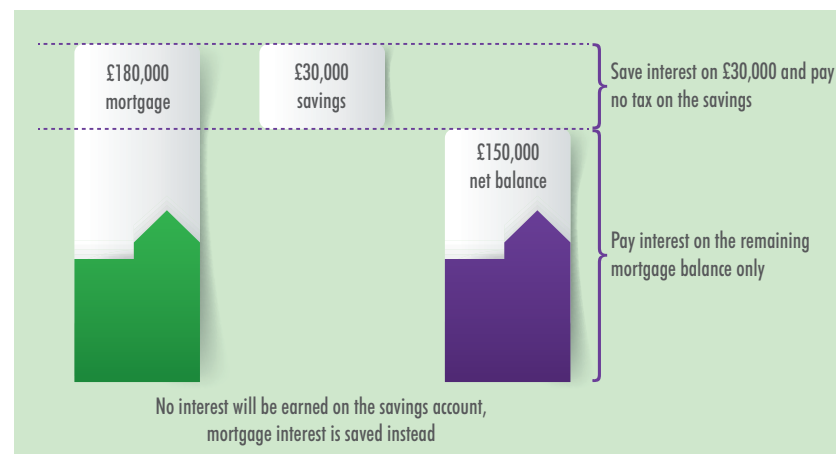
- **Offset mortgage** - this type of mortgage can be a fixed or tracker rate. Attached to your mortgage account you will have a separate instant access savings account, whereby any savings that you have in that account reduces the interest accruing on your mortgage.

For example: if you have £2,000 in your savings account you do not earn positive interest on it, BUT, it will effectively reduce the mortgage balance by £2,000 therefore reduce the interest you pay (negative interest) on your mortgage.

In brief, you do not earn any positive interest on your savings, instead, you pay less interest on your mortgage.

Interest is calculated daily so every day you have savings in your account you are benefitting from them, especially as high street instant access savings rates are taxed and low.

The main point to recognise is that whilst your savings are working hard, to reduce the interest element of your monthly mortgage payment, you have not 'locked' your savings into your mortgage, you can still have your savings for that rainy day.



What Costs Are Involved?

The costs involved very much depend upon the new lender and deal that you are changing to.

Many deals are “fee free” or offer at least a free valuation.

Our advisers at Dales will ask you detailed questions about your circumstances and what you would like to do and present options to you. For instance if you do not have any savings in the bank for valuation or arrangement fees, we can look at deals that do not require these, as well as how much the monthly payment will be.



A solicitor will always have to be instructed to do the conveyance on a re-mortgage. If the property is a normal residential property, frequently the solicitor's fees are included in the deal. However if the property is currently unencumbered (i.e. no mortgage on it and owned outright) or you are going through a divorce or separation, in fact anything that would require a change to the title deeds of your home, is likely to incur solicitor's fees.

If the property you are re-mortgaging is a 'Buy-to-let' then sometimes the solicitors fees are included, but this is uncommon, so budget for and expect to pay your own conveyancing costs.

The great news is that because you already own your home, then unlike when you bought your home originally, there will be no stamp duty tax to pay.

What Is The Process?

1. We will ask you detailed questions about your circumstances and advise you accordingly, to do this we will need confirmation of your income, recent bank statements and proof of your identity.
2. Please bring your most recent mortgage statement so that we can check how much is outstanding and if there are any penalties/ fees to pay to leave your current mortgage provider.
3. Once we have discussed what you would like to do and what is feasible we will get you a decision in principle from the agreed lender, we will also give you a key facts document that will detail the deal and all costs involved.
4. The lender will credit score you and confirm the details of your income and instruct a valuer to do a valuation/ survey of the property to be mortgaged.
5. In the background the solicitors will also need to be instructed.
6. All being well, the lender will make you an offer of a mortgage.
7. Your solicitor will need you to sign documentation.
8. You pay your new monthly payment.



Things you'll need

- Proof of your Identity & Address
- 3 Months Bank Statements
- 3 Months Payslips or Accounts
- 3 Years Address History
- Mortgage Statement
- Details of any home improvements
- Details of any debts to be consolidated
- Solicitors details (we can help you with this)

The process

1. Contact Dales and obtain your Maximum Borrowing
2. Contact us & get your Agreement in principal
3. Submit the full mortgage application
4. Instruct a solicitor (if not included)
5. Lender will obtain a Valuation
6. Lender will Underwrite case
7. Lender Makes offer
8. Solicitor Exchanges Contracts
9. Complete Remortgage



Did you know, we also offer advice on:

- Investments
- ISA's
- Pensions
- Retirement
- Flexi Access
- Mortgages
- Equity Release
- Will's & trusts
- Power of Attorney
- Buildings and Landlords Insurance

Why not call use today to arrange your free
initial consultation **01636 870 069**

Notes





DALES

Independent Mortgage Advisers



Nottingham Office

Tel: 01158 320 265

Bridgford Business Centre
29 Bridgford Road
West Bridgford
Nottingham
NG2 6AU

Newark Office

Tel: 01636 870 069

Queens Head Chambers
42 Kirk Gate
Newark
NG24 1AB

Lincoln Office

Tel: 01522 412 019

Spark House
Ropewalk
Lincoln
Newark
LN6 7DQ

Email: advice@pndaes.co.uk

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P.N.DALES LTD is Authorised and Regulated by the Financial Conduct Authority. Our standard fee for first time buyer mortgage advice is £299, However, the precise amount will depend upon your circumstances and could be up to 1% of the mortgage amount. However, we will discuss your payment options with you and confirm the actual amount before we begin to provide our services.