



BOURNEMOUTH
MORTGAGES

GUIDE TO
REMORTGAGES



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George Christou is Authorised and regulated by the Financial Conduct Authority. FCA registered number 972557.



LET'S EXPLORE REMORTGAGES

- 4. WHY REMORTGAGE
- 4. WHAT IS THE COST OF REMORTGAGING YOUR HOME
- 4. HOW TO FIND THE RIGHT REMORTGAGE DEAL
- 7. STARTING A REMORTGAGE APPLICATION
- 7. GETTING YOUR PAPERWORK TOGETHER FOR A REMORTGAGE
 - 7. VALUATION
 - 7. LEGAL WORK
 - 7. INSURANCE
- 7. ARE YOU READY TO REMORTGAGE YOUR HOME
- 7. HOW CAN I GET THE RIGHT REMORTGAGE DEAL
- 8. FREQUENTLY ASKED QUESTIONS



THERE ARE MANY IMPORTANT DECISIONS YOU NEED TO MAKE BEFORE YOU START YOUR JOURNEY ON THE PROPERTY LADDER. TO ENSURE YOU GET THE RIGHT ADVICE AND GUIDANCE, OUR FINANCIAL ADVISER ARE THERE TO ASSIST YOU THROUGHOUT THE REMORTGAGE PROCESS.

Remortgaging is the process of transferring your mortgage from one lender to another. Your new mortgage would then replace your old one. You may want to remortgage if you're coming to the end of your existing mortgage rate or looking for a better deal than your current lender can offer.

There are many important factors to consider when remortgaging your home. A clear understanding of all options available can help you make the right decisions for your unique financial situation.

WHY REMORTGAGE?

There are several reasons homeowners choose to remortgage. Depending on the rate of your current mortgage and the one you can secure on a new deal, remortgaging is a way to possibly secure a better annual percentage rate of charge (APRC) to save you money on the interest you pay over the length of the mortgage term.

It is important to balance this decision against any early repayment fees your current lender may apply, so that the decision leaves you better off. Your adviser will review all options to ensure that the decision you make is in your best interest.

Another reason to consider remortgaging is to change your payment type. For example, you may have an interest-only mortgage and want to switch to a product where you can pay off the full balance or larger lump sums without additional fees.

In some situations, the reverse might be true – you may want to extend your term to reduce your monthly payments or move from repayment to interest only. For example, if you've had your working hours cut, are paying for building work on the

house or having a baby, and going down to only one full-time working wage.

Remortgaging can also help you raise money to consolidate existing debts or make home improvements.

A remortgage may be wise if your home has considerably risen in value. This is because your LTV (loan-to-value) may now be much lower, meaning you can access more suitable deals that will cost you less in interest and release money for you and your loved ones to use as you wish.

BE CAREFUL BEFORE YOU CONSOLIDATE ANY OTHER DEBTS IN YOUR HOME.

WHAT IS THE COST OF REMORTGAGING YOUR HOME?

Mortgage lenders often offer many incentives to attract you to remortgage.

There can sometimes be additional costs, although your adviser will always review these with you.

There is no stamp duty to pay, which is the good news. Although there may be additional fees to consider, such as:

- **Product Fees** - These could include both completion and application fees. They can be either a fixed charge or a percentage of the loan amount.
- **Legal fees** - These fees cover the costs of a solicitor for conveyancing, surveys and completion. Although some lenders offer products without legal fees.
- **Valuation fees** – A valuation of your property must be paid for before a new mortgage provider approves your application.

Early repayment charge – If you pay your mortgage early, there can sometimes be early repayment charges.

HOW TO FIND THE RIGHT REMORTGAGE DEAL?

First, you should ask your current lender to provide a redemption statement or dig out your latest mortgage statement.

These will show you how much it would take to fully pay off your mortgage. It also includes any fees or charges you would incur to do so. This is the amount you will need to borrow from the new provider before switching. Always compare prices to find the most suitable deal. Your adviser can do this for you while taking care of all paperwork.

When comparing mortgages, make sure you are comparing like for like on the following:

- Repayment of capital and interest or interest only
- Type of loan
- The loan term
- The special rate period
- Maximum loan-to-value ratio (LTV).
- Charges and fees
- Flexibility
- How interest is calculated
- Additional conditions or features

STARTING A REMORTGAGE APPLICATION

Remortgage applications are similar to new mortgages, but should be much simpler.

If you are happy with your remortgage deal, you will first need to obtain a decision in principle (DIP) from the lender offering the most suitable product. A decision in principle means they are willing to lend you the mortgage requested based on the information provided. Once you are approved and happy, you can complete your remortgage application.



It's worth reviewing your mortgage **frequently** to see if a remortgage is a good decision.





Getting the *Right deal* on your mortgage

Changing lenders may be the right option for you.



Always compare prices to find **the right deal.**
Your Adviser can do this for you while taking care of all paperwork.

GETTING YOUR PAPERWORK TOGETHER

You will need:

- Proof of Identity (ID) - Passport or driving licence, and National Insurance number.
- Proof of Address - For up to five years. You can use Utility or Council tax bills.
- Proof of Employment - P60/ payslips/self employed accounts.
- Financial Statements - Bank statements, income/outgoings, assets.
- Proof of your financial position.
- Your current mortgage statement.
- Redemption letter

VALUATION

A valuation of your home is required before you remortgage. Your lender will arrange a surveyor visit. However, some lenders may only do a desktop or drive-by valuation without requiring an in-person visit.

LEGAL WORK

A solicitor or conveyancer will be required to complete all legal works. Most lenders will insist your chosen lawyer is on their approved list. Remortgaging is often easier than buying a house, and some lenders will provide fee-free legal work for certain products.

INSURANCE

To protect your home, you should always have the relevant insurances in place. If you are remortgaging, it is a good idea to review your coverage, especially if your property's valuation has gone up in value.

ARE YOU READY TO REMORTGAGE YOUR HOME?

Our experienced mortgage advisers can help you decide whether to stay with your current lender or switch to another remortgage deal. Whatever they advise, it will be the right decision for your unique circumstances.

HOW CAN I GET THE RIGHT REMORTGAGE DEAL?

This is where professional guidance from our team can prove invaluable. Our expert mortgage advisers have thousands of remortgage products available.

Get in touch to find out if remortgaging is the right decision for you and your loved ones.

READY TO REMORTGAGE?

If you are interested in making a remortgage application with us, you will need to schedule an appointment with one of our expert advisers. After we have explored the right options for you and your circumstances, your remortgage application can be made either by phone or in person.

Please allow approximately 90 minutes for our initial call. We will conduct an affordability and fact check during the appointment. If you then wish to proceed, we will need the following information to conduct a decision in principle. Please prepare:

- Address history over the past 5 years
- Last three months' payslips
- If you are self-employed, details of your net profit and/or salary, as well as dividends for the last three years.
- Information about any other income you might receive, such as rental income or pension income.
- Information about existing mortgage payments
- Your last 3 months bank statements
- Details of your regular outgoings/ expenditure.
- Information about your financial obligations - including any loans, credit cards, or other financial commitments.
- Details of all income protection and life policies.

Good luck on your remortgage journey, and don't forget if you need any assistance, our team is here to help.

Frequently Asked Questions

CAN I REMORTGAGE MULTIPLE TIMES?

You can remortgage as many times as you wish. Although, you should consider all fees and charges before deciding if it is financially beneficial.

HOW WILL REMORTGAGING AFFECT CREDIT RATINGS? Your credit file shows every credit application you make. Your credit rating may be affected if you submit multiple applications, particularly if they are unsuccessful. Rest assured that lenders must let you know if they intend to check your credit rating before doing so.

IF I'M SELF-EMPLOYED, WHAT INFORMATION WILL BE NEEDED TO REMORTGAGE? Lenders usually require proof of income from the Inland Revenue or a minimum of one year of audited accounts. It may prove difficult to obtain a remortgage if you're a newly self-employed individual.

IS REMORTGAGING WORTH CONSIDERING IF MY MORTGAGE LOAN AMOUNT IS LOW?

It is important to consider the cost of remortgaging (charges and fees) versus the savings you will make in

lower monthly payments over the duration of the loan. You could be better off sticking with your existing lender if you have a modest mortgage payment. An adviser can explore your unique circumstances further to give you bespoke advice.

CAN I REMORTGAGE MY HOME TO GET MONEY FOR HOME RENOVATIONS?

You can remortgage to borrow more money to use as you wish, but whether this is the right decision depends on your financial situation and affordability. Borrowing money for home improvement purposes could potentially increase your home's value over the long-term.

BE CAREFUL BEFORE YOU CONSOLIDATE ANY OTHER DEBTS IN YOUR HOME.

CAN I SWITCH TO A REPAYMENT MORTGAGE WHEN I REMORTGAGE?

You can switch your payment method, as you will start a brand new mortgage. It is a good time to review your financial situation and decide what options are most suitable for your needs.



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Think carefully before securing your debts against your home. Your home may be repossessed if you do not keep up repayments on your mortgage.

Typically, we charge a fee of £495 for a mortgage, but the actual fee will vary depending on your circumstances and will not exceed the lower of £1000 or 3% of the loan.

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