CHILTERN
MORTGAGES
TAILORED MORTGAGE SOLUTIONS

GUIDE TO REMORTGAGING

Chiltern Mortgages
guide to remortgaging

Why move your mortgage to another lender
Remortgaging means changing your mortgage whilst staying in the same home. There are many reasons why you may want to move your mortgage, such as to reduce your mortgage payments, borrow more money or you may have a change in circumstances.

To reduce your mortgage payments
You may have taken out a mortgage a few years ago and could now be paying a higher rate of interest than necessary. You might be paying a variable rate of interest which you'd like to swap for a fixed rate so that you can budget more efficiently. Finding a lower rate of interest when you remortgage, means that your monthly payments could be lower.

To borrow more money

You may want to make home improvements as a more cost effective alternative to moving home. Borrowing more money through a remortgage allows you to do this by releasing some of the equity in your home. Remember though, increasing the size of your mortgage may mean larger monthly payments.

Change in circumstances

Any change in your circumstances could lead to different mortgage requirements. You may have suddenly come into some money and want to pay off some of your mortgage or reduce your mortgage term.

You may have an interest only mortgage and feel that your investment vehicle isn't now going to repay your mortgage and you might want to change to a repayment mortgage.

What do you need from your mortgage?

Looking at the costs and features of potential new mortgages should help you work out whether remortgaging is for you

If you're thinking about remortgaging, comparing all the financial details and thinking about the costs should help you arrive at the right decision.

Your existing mortgage

Could your current lender offer you a better deal? It's worth contacting them to find out a bit more about your mortgage and any alternatives they might be able to offer. Whether you decide to take a new deal with your current lender, or a new lender, you'll need to know if you have to pay an early repayment charge and exit fee. You'll also need to get a 'redemption quote' which will tell you how much you still owe.

Potential costs

There will be some costs you need to consider when remortgaging.

Early repayment charge

You may have to pay an early repayment charge to get out of your existing mortgage. This charge is normally a percentage of your mortgage balance and will have been detailed in your mortgage offer. If you can't find it, your current lender will be able to tell you how much it will be.

Product fee

Remortgages with a product fee usually have a lower interest rate during the initial rate period. This fee can usually be added to your mortgage, but it means you pay interest on the product fee unless it's repaid within 21 days of completing your remortgage.

Valuation

Most lenders offer a free standard valuation on properties valued up to £2.5m. It makes sure the property is worth the amount you stated in your application. Check with your adviser as you will require a valuation.

Legal/conveyancer fees

You need a solicitor/conveyancer to help with the legal part of remortgaging. Some lenders include "free legals" as part of a new deal.

PROTECT YOUR NEST EGG

It’s hard to crack the art of saving

Imagine having to spend the money you’ve worked hard to save because you were too ill to work, or the breadwinner died unexpectedly. When you really think about the monthly outgoings of the average family, even your hard-earned savings might not go as far as you’d think.

£231
What a household spends each month on food.

£140
The average monthly cost of running a car.

£96
The average monthly household spend on power.

So be a good egg, think about life or critical illness cover today.

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Sources: Office for National Statistics Family Spending: 2017, published January 2018.

Budgeting

How much do you spend each month?

If you need our help to work out how much you spend each month we can assist you..

How much could you borrow?

When we're checking your borrowing capacity we look at things like:

- Is the amount you earn enough to make payments on the amount you want to borrow?
- Are you able to provide confirmation of your income?
- How much outstanding debt do you have?
- How much you want to borrow compared to the value of your home? (known as the Loan to Value ratio or LTV)
- Your credit rating?
- If you ever missed payments on any credit commitments?
- Previous County Court Judgements (CCJs),Individual Voluntary Arrangements (IVAs) or bankruptcies
- Whether you want to borrow on an interest only basis?

Speak to one of our expert advisers to get an idea of how much you could borrow, based on your earnings and spend each month. We can then show you how much your monthly mortgage payments might be for the mortgages we offer.

CREDIT RATINGS

Another, vital, part of being able to apply for a mortgage is having a good credit rating. All lenders use a credit reference agency to see how people have managed their money in the past.

There are a few ways to improve your credit rating:

- Check your credit file. There are three main credit reference agencies Experian, Equifax and TransUnion. You can ask them for a copy of your credit file so that you can check its accuracy. Contact the agency if you see any details that are wrong so that they can correct them for you.
- Register to vote, you may find it more difficult to get credit if you're not on the electoral role.
- Cancel any unused credit cards or bank accounts. Unused credit cards can push up the amount of available credit you could have and could reduce your credit score.
- Keep your credit card and loan debts as low as you can.
- Never miss or be late for payments – this will reduce your credit score.

COVER THE
GOOD DAYS

At a time of loss, the last thing a family needs is their daily routine upset because of financial worries

And if money's really tight all the things that made life special while you were still around, could be threatened for years to come.

So don't take a rain check on life cover. After all, it could help protect the lifestyle of those you love.

To find the best way to protect you and your family, talk to us today

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Choosing the right deal

Do you want to pay the same amount each month?

A fixed rate mortgage gives you the peace of mind that comes from knowing exactly what your payments will be each month during the 'fixed rate period'.

Do you want to track the Bank of England base rate?

A "tracker rate" mortgage tracks the Bank of England (BoE) base rate during the 'initial rate period', or for the life of your mortgage if you take a Lifetime Tracker mortgage. Your payments will increase or decrease in line with changes to the base rate.

Repaying your mortgage

A mortgage has two parts. The original amount borrowed to buy the property, sometimes known as the 'capital', and the additional amount the lender charges for lending you the capital, otherwise known as the 'interest'.

When you take out a mortgage you choose how you would like to repay it. You can choose:

- a repayment mortgage (sometimes called 'capital and interest') - your mortgage payment covers the interest and helps to reduce the amount you owe ('the capital'). As long as you keep up your payments, you can be sure your whole mortgage will be paid off at the end of the term.
- an interest only mortgage - your mortgage payment only covers the interest on what you owe. At the end of the mortgage you will need to pay off the amount you've borrowed using savings or investments built up during the mortgage period. If you take out an interest only mortgage you must be sure that you'll have enough money to repay the capital at the end of the term.
- a combination of the both types.

Applying for a remortgage

Our mortgage adviser will ask you questions about your needs and circumstances so that they can advise you on the right mortgage and confirm that it is is affordable. They'll also take some details about the property and your solicitor. Next, they'll give you a mortgage illustration for the mortgage deal, which is essentially a quote that shows the costs and fees for the mortgage.

Key documents

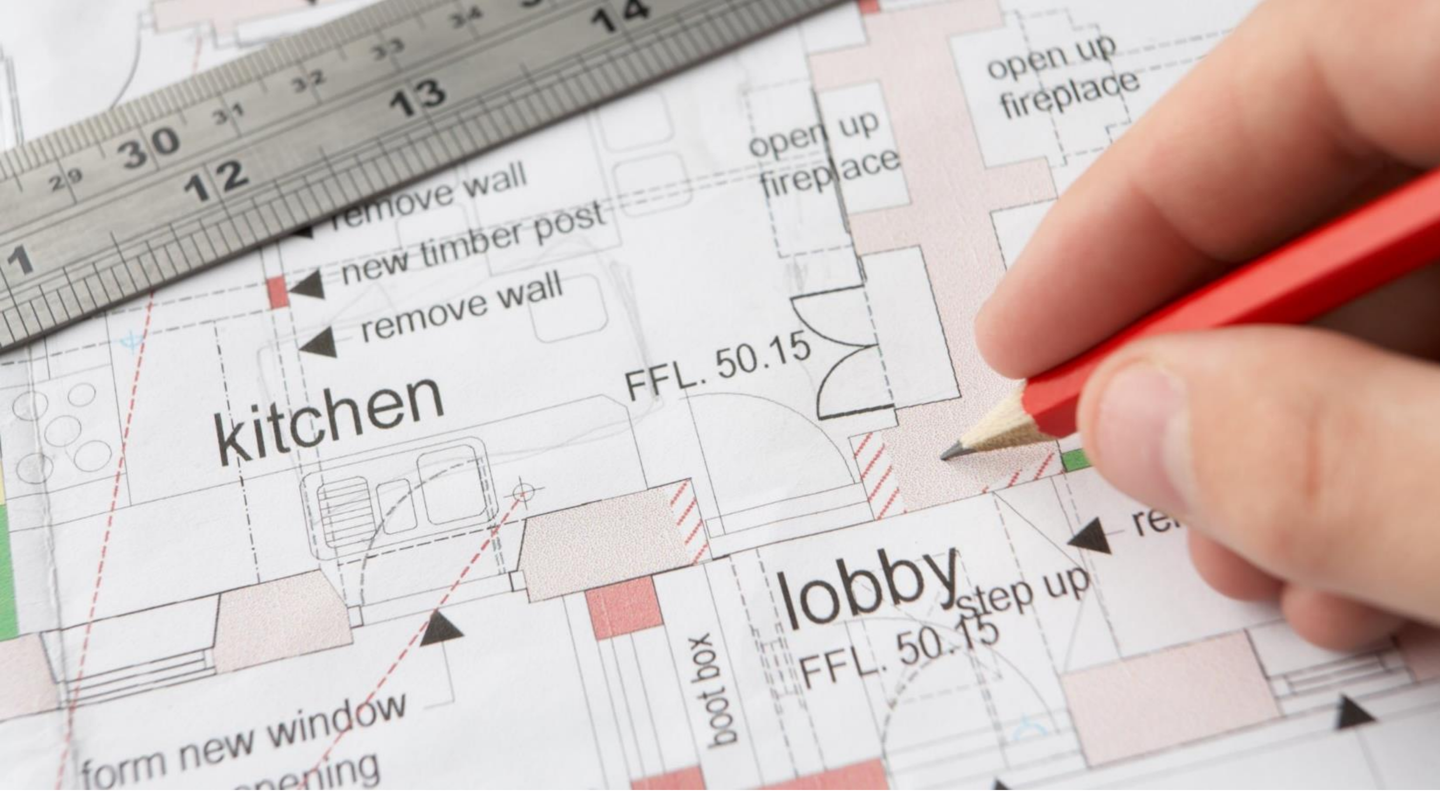
Having your key documents to hand when you're applying will make the process smoother, these include

- Your last three years' address history, with no gaps.
- Your last three months' payslips or last three years' accounts/ SA302s and tax year overviews if you're self-employed.
- Your last three months' bank statements.
- Full details of any loans or credit cards you have.
- ID such as driver's licence or passport.

Valuation

Once we've completed the mortgage application process, the mortgage provider will arrange for your home to be valued. This valuation is for the mortgage providers purpose.

When the valuation is complete a formal mortgage offer can be made.



Completion

Finally, the solicitor will complete the transfer of the the mortgage from your existing lender to the new lender. If you borrow more money at the same time, the solicitor will arrange to pay the additional amount directly to you on completion.

Insurance

You may already have insurance to protect your mortgage, but it’s worth reviewing it to see if it’s still adequate. Our advisers will help you with this aspect and make recommendations where any gaps exist.

JUST MOVED IN?
JOB DONE

**Well not quite. Have you considered
how you'd pay the bills if you were too ill to work for a while?**

Ill health can happen to anyone, at any time.
In fact, every year almost a million people in the UK suffer an injury or a serious illness that means they can't work for a month or more.*
Income protection could provide you with an income if you're too ill to work.

Protect your income to help pay the mortgage if you're ill

To find the best way to protect your income, talk to us today

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*Source: Department for Work and Pensions, February 2014
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Want to talk it over?

You can speak to one of our mortgage advisers in person, or chat things over on the phone.

Call us on 01494 451441 (Mon-Fri 8.30am – 5.30pm) or you can arrange a personal appointment either at your home or if convenient at our Head Office in Stokenchurch.

When you have your mortgage appointment, your mortgage adviser will find out what mortgage is right for you. We'll discuss the various types of mortgages, interest rates and any associated fees with you so you'll know what is right for you.

For more information of our services visit our website www.chilternconsultancyltd.com

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You may have to pay an early repayment charge to your existing lender if you remortgage.
We will charge a fee of £750 payable (non-refundable) at the outset.
We will also be paid commission from the lender and any such commission will be disclosed to you in writing.

Please note: Your home may be repossessed if you do not keep up repayments on your mortgage.

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