

Guide to Buying your Home



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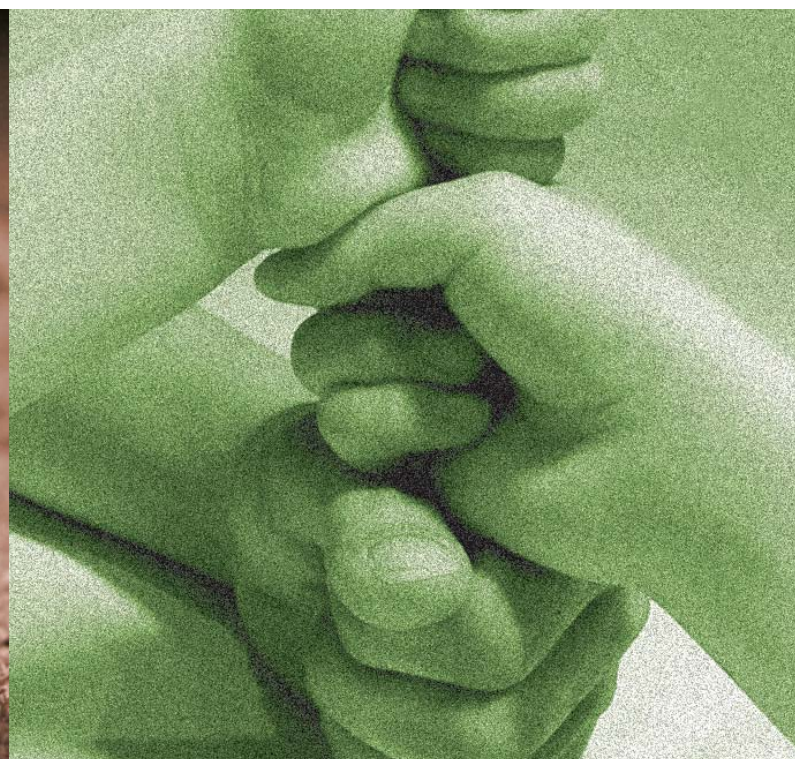
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Mortgage Advice**

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Independent, Professional
& Personal



Stuart Brown Mortgage Services Limited

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Buying your Own Home?

Let us do the hard work for you

With thousands of mortgage deals and interest rate packages to choose from, there's certainly a huge choice of mortgage options for you to choose from. So where do you start?

"We will be there to help you every step of the way"

That's where Stuart Brown Mortgage Services come in. We understand that buying your home is exciting, daunting and very stressful, so we will be there to help you every step of the way. We will ensure you get the right mortgage and the right protection to suit your personal circumstances and budget. This guide is designed to give you some of the information you will need to make the right choices. From answers to some of your key questions like "what is a mortgage?" and "how much can I borrow?" to a useful step by step planner, a mortgage guide and details of the costs involved. One of us will always be available to help you and we will save you time and money in arranging your mortgage.



What is a Mortgage?

1

Most people think a mortgage is just a big loan to buy your home. The word itself means any loan that's 'secured' against property. This means that when the property is sold or repossessed, the lender has 'first charge' or in Scotland, a 'standard security' and must be paid first. With your home as security the lender can usually offer you a lower interest rate than you would find with other types of loan.

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Schemes Available

There are many different mortgage schemes available and what would suit one person may be totally inappropriate for someone else, this is why it is important you understand the basics and get professional advice from an expert. Here is a guide to the most popular ones available but don't panic if you don't think they are right for you because we will be able to find one that is.

Variable rate

A variable rate, as the name implies, varies. The interest rate you pay goes up and down, broadly in line with interest rates in the economy, i.e. if the Bank of England base rate increases the likelihood is your mortgage repayment will increase. Although the variable rate is in line with the economy, not all lenders have the same variable rate.

When interest rates change, some lenders adjust the amount they charge borrowers immediately. Others wait until the end of the month before making the change.

A few lenders offer a way of levelling out the interest rate changes over the year. The interest rate changes in the same way but your payments change only once a year.

This does not usually save you any money, or cost any more in the long term, but it does make it easier to budget for the year ahead.

Discount rate

A discount rate mortgage is a standard variable rate mortgage, but the lender gives you a discount percentage for an agreed period of time.

So the variable rate may be say 6%, and the discount is 1%, therefore the rate you pay is 5%.

The rate you pay will go up and down throughout the term of the discount like a variable rate mortgage, but you will be paying an agreed percentage below the lenders variable rate. At the end of the discount period the mortgage will revert to the standard variable rate.

Discount rate mortgages often have an early repayment charge if you wish to switch to another rate, or if you repay part or the entire mortgage. Some lenders also 'tie' you in for a period of time beyond the term of the discount, 'an extended tie-in period'.

See 'what do you do when your rate finishes' for more information.

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Tracker Mortgage

A tracker mortgage is linked to the Bank of England base rate, being either a margin below or above for an agreed period of time.

Interest is usually calculated daily, and the payment is usually variable.

So the base rate may be say 4%, and the tracker mortgage is 1% above base rate, therefore you would pay 5%.

The rate you pay will go up and down throughout the term of the tracker like a variable rate mortgage, but you will be paying an agreed percentage above or below the Bank of England base rate.

At the end of the tracker period the mortgage will normally revert to standard variable rate, but again as with other rates there will be various options available to you.

Tracker rate mortgages often have an early repayment charge if you wish to switch to another rate, or if you repay part or the entire mortgage. Some lenders also 'tie' you in for a period of time beyond the term of the tracker, 'an extended tie-in period'.

See 'what do you do when your rate finishes' for more information.

Flexible Mortgage

These are relatively new to the mortgage market. These types of mortgages suit a limited number of customers, as they can take quite a lot of self management.

Flexible mortgages allow you to vary your payments to suit your needs at that time; you can take repayment holidays, especially useful if you have just had a baby or plan to renovate. Repayment holidays are subject to certain requirements and conditions set by the lender.

You can also manage the mortgage in such a way as to enable you to redeem the mortgage earlier than you would normally do. This would normally be done by making payments larger than your normal monthly payment or make additional lump sum payments. On most other mortgages this could be classed as part redemption of your mortgage, and as such could incur 'early repayment charges'. With a flexible mortgage you would not incur such charges for making overpayments.

Offsetting is sometimes a feature of a flexible mortgage. This means you can offset your savings, so that you do not receive or pay interest on that amount.

Flexible mortgages also allow you to withdraw any additional or overpayments you have made, enabling you to do home improvements for example.

Interest is calculated daily (or monthly in some cases) so the benefit of the overpayment is effective immediately. This means you could save a significant amount on your mortgage. You may even be able to pay it off early.

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Cash-back feature

Some lenders offer 'cash-back' mortgages where a percentage of the loan is paid to the borrower shortly after completion of the property purchase.

These deals can be very appealing, especially to first time buyers, who may need to buy furniture or are on a tight budget.

Cash-back mortgages often have early repayment charges if you want to switch to a different type of loan, or repay part or your entire mortgage within a given period of time.

Fixed rate

A fixed rate loan gives you a guaranteed rate of interest for an agreed period of time. These are usually fixed for periods of 2, 3 or 5 years and sometimes even longer.

This can be very comforting if you have a large loan or a tight budget, as you know exactly what you will be paying for that agreed period of time.

If however interest rates were to fall, your mortgage payment would remain the same until the end of the fixed term, therefore it is important to think carefully about how long you want to be tied into a particular rate of interest.

Fixed rate mortgages often have an early repayment charge if you wish to switch to another rate, or if you repay part or the entire mortgage. Some lenders also 'tie' you in for a period of time beyond the term of the fixed rate, 'an extended tie-in period'.

As with the other schemes, it is important to check whether the fixed rate you have chosen is 'portable', that is whether you can transfer the rate and deal to another property if you move within the fixed rate period (or the extended tie-in period if applicable). Lenders tend to limit the portability of a rate to the amount you have outstanding at that time, so any additional funds required may have to be taken at a different rate.

When the fixed rate ends the mortgage will usually revert to the lender's standard variable rate. Some lenders will guarantee to offer you another rate, but will not be able to tell you what that rate will be at this point.

See 'what do you do when your rate finishes' for more information.

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Capped Rate

A capped rate mortgage is a variable rate but with a twist.

Your mortgage rate still goes up and down, but you have the comfort of knowing that when they go up they will not exceed a certain figure. This is known as the 'capped rate'.

Sometimes, the rate cannot fall below a minimum rate as well; this is known as the 'collar'.

Capped rate mortgages often have an early repayment charge if you wish to switch to another rate, or if you repay part or the entire mortgage. Some lenders also 'tie' you in for a period of time beyond the term of the cap, 'an extended tie-in period'.

At the end of the capped period the mortgage will revert to standard variable rate.

See 'what do you do when your rate finishes' for more information.

Portability

With any of the special deals and incentives available it is important to check whether the rate you have chosen is 'portable', (subject to lender's underwriting criteria).

Portability dictates whether you can transfer the rate and deal to another property if you move within the agreed rate period (or the extended tie-in period if applicable).

Lenders tend to limit the portability of a rate to the amount you have outstanding at that time, so any additional funds required may have to be taken at a different rate.

Buy to Let

This is a mortgage for a property that you wish to rent out. All of the deals we have detailed previously are normally available on a buy to let basis, however the rates are not as low as for a residential purchase.

The amount of rent that you receive over and above the cost of the mortgage payment can be used to cover the management and maintenance of the property.

Remember though, you are responsible for the mortgage payments regardless of whether you are receiving any rent or not. You will also be responsible for the buildings insurance on a property that you let out.

Lenders will usually lend up to 85% of the market value of the property you are to rent out.



Usually they do not expect your monthly income to be able to cover your buy to let mortgage as well as your residential mortgage, but they will expect the rent to be up to 130% of the mortgage payment. Some of them will use the actual rate you are paying to calculate this, but others will use a minimum interest rate that they have set for this purpose.

Lenders will have their own special conditions when it comes to buy to let mortgages, such as having a formal short-hold tenancy agreement in place and suitable insurances.

A managing agent can deal with tenants for you, from finding a tenant to a full management service, these can be costly however and it is worth doing some research before hiring one.

Other points to consider are:

- How will you repay the mortgage if you do not have tenants for a period of time?
- What if your mortgage payments go up and the rent is no longer sufficient to cover the mortgage repayment?
- Problem tenants. You may end up in court to recover unpaid rent or to evict tenants.
- As well as wear and tear, the property may suffer damage done by the tenants.
- Income tax and capital gains tax implications.

What to do when your rate finishes?

When the special rate ends the mortgage will usually revert to the lender's standard variable rate.

Some lenders will guarantee to offer you another rate, but will not be able to tell you what that rate will be at this point.

You have various options available when this happens and it would be advisable to contact us again at this time, or a couple of months prior to your rate finishing. We can then find the option that would suit your circumstances at that time, again searching the whole market for you.

Certain lenders now offer re-mortgage packages, where your survey and solicitor's costs are covered by the lender, so this will not be as costly or as difficult as you might think.

It may be that you want to borrow some more money at this time for home improvements.

Whatever you think you want to do when your rate finishes, we will be able to help.

Don't forget to call us and we will be happy to advise and help you.



Mortgage Schemes

Variable Rate

- Payments go up and down in line with interest rates
- Not all lenders have the same variable rate
- Usually does not tie you in

Discounted Rate

- Discount off standard variable rate for a set period
- Reverts to standard variable at end of rate
- Maybe charges for early repayment

Tracker Mortgage

- Linked to the Bank of England base rate
- Interest is usually calculated daily
- Maybe charges for early repayment

Flexible Mortgage

- Allows you to vary your payments
- May allow payment holidays and overpayments
- Potential to pay off your mortgage early

Cash-back

- Pays cash back to you on completion
- Appeals particularly to first time buyers
- Maybe charges for early repayment

Fixed Rate

- Fixed interest rate for a set period of time
- Usually a choice of terms available
- Maybe charges for early repayment

Capped Rate

- Interest rate is variable with an upper maximum
- Charges for early repayment may apply
- Usually a choice of terms available

Buy to Let

- For a property you want to buy and let out
- Variable and fixed rates usually available
- Rental income must exceed mortgage payment



Repaying your Mortgage

In this section we will look at how you repay the money you borrowed. There are three main options for this.

Repayment Mortgage

A repayment mortgage, or 'capital and interest' as it also known, works basically the same way as most types of loan. You make regular monthly repayments to the lender; the repayment is made up of capital (repaying the amount you initially borrowed) and interest.

So provided you keep up the correct payments, at the end of your mortgage term you will have repaid the loan in full.

Interest only Mortgage

With an interest only mortgage, as the name suggests, you only pay the interest charged by the lender.

This means you need to somehow save the money to pay off the capital at the end of the term.

There are 3 main ways to do this:

- Endowment policies
- ISA's
- Pension plans

Most investment vehicles used to pay off the loan are not guaranteed to make enough money to do so. You may find at the end of the term you will be liable for the shortfall. There are other ways in which you could repay an interest only mortgage i.e. if you were buying a property to let out, you could sell the property at the end of the term and repay the mortgage that way.

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Split Mortgage

Some lenders allow you to combine both repayment methods. This would be beneficial if you already have an endowment mortgage for say £50,000 and are looking to move and take on a new mortgage of £150,000. You may want to keep your existing endowment until the policy matures, but taking the whole of the new mortgage on capital and interest would mean you paying an endowment policy as well as a larger mortgage payment. This may make the cost a little high, so you could choose to borrow the additional amount on a repayment basis and keep the £50,000 on an interest only basis.

Don't forget though that most investment policies are not guaranteed to accumulate enough money to pay off the interest only portion. You may find at the end of the term you will need to make up a shortfall.

Mortgage Term

The most common mortgage term taken by borrowers is 25 years. This is because it gives a good balance between the monthly payments due and the overall interest payable over the term.

Lenders will usually allow you to borrow over a term from 1 to 40 years, although this is sometimes dictated by the repayment method taken.

It goes without saying that the shorter the term then the less overall interest will be payable. For example, the difference in what would be payable on a £100,000 interest only mortgage at a 6% pay rate could be £30,000 if a term of 20 years was taken instead of 25 years!



How Much Can I Borrow?

You should only borrow what you can comfortably afford to repay. You need to consider all of your important expenditure and plan your mortgage repayments carefully and sensibly.

- Usually up to 3 or 4 times salary, or 2.5 to 3 times a joint salary. Depending on your circumstances, you may be able to borrow more.
- Proof of earnings is usually required but not always.
- Be honest - only borrow what you can comfortably afford to repay.
- Should you enter into a mortgage with someone else remember you are jointly and separately liable for the debt.

Before taking on any financial commitment you need to satisfy yourself that you can afford the monthly payments.

Most lenders will consider taking commission, bonus and overtime into their affordability calculations. Equally though they will also consider all of your regular monthly outgoings; this will include credit cards, loans and store cards.

Initially we will obtain a decision in principle from the lender for you; this will help you in deciding what property price range you can comfortably afford to buy.

Need to borrow more?

Lending limits are carefully set to protect both the lender and the borrower.

If you are sure your income will increase, like a guaranteed pay rise, a lender may take this into consideration.

A family member may be able to act as guarantor, which means they will agree to repay the mortgage if you are unable to do so.

Proof of earnings

Your lender will probably want to check your income, we may need to provide them with pay slips, P60's or accounts.

No proof of income

Some people find it difficult to prove how much they actually earn, maybe because they are self employed and have only been in business for a year or two. Self certification or non-status mortgages can overcome this problem. You will need to put down a bigger deposit to enable you to 'self certify', the interest rate may be higher too.

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The Budget Calculator

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Monthly Income

Client 1 Net Monthly Income	£	_____
Client 2 Net Monthly Income		_____
Additional Monthly Income e.g. Child Allowance		_____
Total Net Monthly Income		_____ A

Monthly Expenditure

Once you've moved, will your monthly outgoings change?

	Current	Future
House		
Mortgage	_____	_____
Rent	_____	_____
Life Assurance	_____	_____
Critical Illness Cover	_____	_____
Accident/Sickness Cover	_____	_____
Unemployment Cover	_____	_____
Buildings/Contents Insurance	_____	_____
Credit		
Car/Personal Loans	_____	_____
Credit Cards	_____	_____
Store Cards	_____	_____
Household Bills		
Gas	_____	_____
Water	_____	_____
Electricity	_____	_____
Telephone	_____	_____
Sky/Cable TV	_____	_____
Mobile Phones	_____	_____
Council Tax	_____	_____
TV Licence	_____	_____
Food	_____	_____
Misc	_____	_____
Car Costs		
Car Insurance	_____	_____
Petrol	_____	_____
Running Costs	_____	_____
Public Transport Costs	_____	_____
Total Monthly Expenditure	_____	_____ B

Disposable monthly income to pay new mortgage and associated protection policies _____ **A-B**

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Insurance and Protection

You insure your car without a second thought, but what about you, your family, your mortgage and your home.

You, Your Mortgage and Your Family

A mortgage is probably the biggest financial commitment you will ever enter into. Very few families are adequately insured and you should review your cover periodically and whenever your circumstances change. At Stuart Brown Mortgage Services we will advise you on the following key areas, taking you through the reasons why each are important and helping you to prioritise those that are most important to you.

- Life Assurance
- Critical Illness Cover
- Accident & Sickness Cover
- Unemployment Protection
- Buildings & Contents Insurance

Unlike most banks, building societies and other mortgage brokers, we can arrange cover from a wide range of different insurance companies. This makes sure that you are offered the cheapest premiums and are more able to afford the cover that would help you meet your commitments should the worst happen.

It is particularly important for you to consider the consequences of under protection and whether in fact you should be covering more than just the mortgage amount.

Incidentally we can arrange cover for you even if we haven't arranged your mortgage.

Life Cover

This helps ensure your dependents have enough money to repay the mortgage in full if you were to die.

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There are various different types of life cover to meet different circumstances and budgets. Cover can for example be arranged on a 'level' or 'decreasing' basis.

Life Assurance policies often also include 'terminal illness' cover. This means that the policy would pay out earlier if you are diagnosed with a terminal illness.

Critical Illness Cover

If you suffer one of the illnesses covered by the policy, the benefit paid out could provide a lump sum of money to repay the loan, or replace the income you may lose. In the event of a critical illness, you may have additional expenses such as long term care; your partner may also have to give up work to look after you.

The illnesses that are covered include: multiple sclerosis, cancer, stroke, heart attack, paralysis, severe burns, loss of sight. Many more are covered and we will be happy to advise you about these.

It is important for you to carefully consider this type of cover given that the average age of a claimant is currently 41 years old and one in three people are expected to suffer a critical illness within their lifetime*.

Mortgage Payment Insurance

This is designed to help you meet your mortgage payments if you are unable to work for a period of time due to sickness or accident. This would normally pay out a monthly sum sufficient to cover the mortgage payment and associated costs for a defined period of time.

The deferred period can be altered to take into account any employer's sick pay benefits that you may have.

Unemployment Cover

This type of cover will pay a monthly sum should you become unemployed, through no fault of your own. Cover is often offered as an 'add-on' to Mortgage Payment Insurance but can also be offered on its own.

Buildings and Contents Insurance

Your lender will insist on you taking out buildings insurance to protect your home unless it is a leasehold property, in which case it is normally covered within the lease and service charges.

It is also essential you arrange adequate contents insurance so your belongings are protected from, amongst other things, fire, theft and flood.

There are often several options available under buildings and contents policies such as accidental damage, cover away from the home and cover for freezer contents. We can cover these further with you when we discuss your needs.

We can source from many different policies and insurance providers to make sure that you obtain the cover that is most appropriate to your specific circumstances. This also means that we are able to keep costs of the cover down for you as far as possible.

* These are correct at 1/1/2005



The Costs Involved

So you have got the mortgage sorted out and the deposit is saved, there's nothing else to pay is there? Well, sorry but yes there is, an overview of these costs are covered below.

The Deposit

- Payable when you exchange contracts
- Normally between 5% -10% of the purchase price
- Not always required especially in Scotland

Most lenders will consider lending 90%-95% of the property purchase price. Some though will lend 100% and even higher.

100% and higher loans are beneficial if you are a first time buyer or if you need to do substantial home improvements to the property. It may also benefit a second time buyer as they may be able to accept a lower offer for their property as they won't have to find a deposit for their new home.

Second time buyers may find the deposit can come from the equity in your home.

Higher Lending Charge

Most lenders are happy to lend up to 75% of the purchase price/valuation of your home.

If you need to borrow more than this, the lender may want to take out an insurance policy known as "Higher Lending Charge". This is arranged by the lender for their own benefit. You may have to pay a one-off premium for this (this is usually known as a "High Lending Charge"). If you do, most lenders will allow you to add this to your mortgage amount; this will mean you are paying interest on that amount for the term of your mortgage.

The insurance policy covers the lender for any loss if they have to repossess then sell your property, but does not cover the full amount of the mortgage owed to them. In the unfortunate event of this happening you will still be liable for the shortfall on the mortgage.

Even if the insurance is in place, the insurer usually still has the right to recover the shortfall from the borrower i.e. you.

Some lenders will waive this charge even up to 125% of the property value.

Valuation Report for Mortgage Purposes

You will have to pay the lender a fee to arrange a valuation on your prospective new home.

This report is done for the lender's benefit, to confirm the property is adequate security for the mortgage. It should tell you if there is something seriously wrong with the property, but it does not involve a detailed inspection of the property.



The percentage you can borrow will be based on the lower of the purchase price and the figure in the valuation report.

Other Surveys

For your own peace of mind, it is advisable to arrange your own survey. Especially if you are buying an older property or planning to buy in an area that has suffered subsidence in the past. In these cases a more in-depth survey is essential.

You may be able to get the same surveyor who carries out the lender's valuation to do this for you. A 'Homebuyer's Report' is a more comprehensive report than the lender's report and will tell you if the property is structurally sound. But it does not give any major guarantees.

A 'Full Structural' survey costs more but gives the added guarantee of legal protection against incorrect information.

Application Fees

Most mortgage lenders now charge application fees to cover their initial administration costs. Fees are especially common with limited offers like fixed rates and may not be refundable if your purchase does not go through.

Some lenders offer cash-back deals which cover some or all of these fees.

We will be able to advise you and provide a written quotation which shows how much you will be paying per month and any up front charges.

Solicitors

As well as paying a solicitor or licensed conveyancer for the work that he or she does, the cost of land registry and local searches will also be passed on to you.

The solicitor also does certain work on behalf of the lender. We will need to check that the solicitor you have chosen is acceptable to the lender we are using.

The whole process ensures that when the sale has gone through the property really belongs to you. It will also ensure you are fully aware of any legal factors affecting the property.

Stamp Duty

Stamp duty is a tax on property purchases, and applies to all properties over £60,000. Stamp duty will be collected by your solicitor.

Purchase price	Stamp duty payable*
£60,000-£250,000	1% of the purchase price
£250,001-£500,000	3% of the purchase price
Over £500,000	4% of the purchase price

Since November 2001, stamp duty has been abolished for certain property transactions in designated areas to help regeneration. Your solicitor or the Inland Revenue will be able to advise you of the designated areas.

* These are correct at 1/1/2005



The 'Costs Involved' Planner

Use the handy form (on the next page) to keep track of the expenses involved in your move, if you are thinking about moving it will give you an idea of the budget you will need to have.

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Sale Price of Your Existing Home

- Mortgage Outstanding _____
- Early Repayment Charge (if applicable) _____
- Solicitor's Costs to Sell _____
- Estate Agent's Fee _____
- Credit Consolidation _____
- Misc Costs inc. Removal/Storage Fees _____

- Equity Available before costs _____

Purchase Price of Your New Home

- Solicitors Costs to Purchase _____
- Stamp Duty Due _____
- Land Registry Fee _____
- Local Authority Searches* _____
- Misc. Fees _____
- (These may include - Drainage/Bankruptcy/Telegraphic Transfer/Land Charges etc.)

- Basic Mortgage Valuation* _____
- Additional Homebuyer's Valuation/Full Building Survey* _____
- Lender's Booking/Arrangement Fee* _____
- Higher Lending Charge _____
- Mortgage Broker's Fee (if applicable) _____

- Deposit _____

- Total Costs to Purchase _____

Mortgage Advance Required

* Usually payable 'up front'



Step by Step Planner

- Step 1** Start by visiting us to get a mortgage agreed in principle. Register with a couple of estate agents. By having your mortgage agreed in principle the whole process will be quicker and easier.

- Step 2** When you find a property you want, make a formal offer to the estate agent (subject to contract). When your offer is accepted, appoint a solicitor to act for you in your purchase. Advise us that you have made an offer so that we can arrange a full application with the lender. Your solicitor will now start making various enquiries and searches regarding the property you are buying.

- Step 3** The lender will arrange for a valuation to be done on the property. It may be worth getting another, more in-depth, survey done for your own purposes. The lender will also obtain proof of your income.

- Step 4** The lender may send you a copy of the valuation report. Assuming it is all ok, your mortgage will be confirmed and you will be sent a formal 'offer of mortgage advance'. Read this carefully when you receive it to make sure everything is correct and that you understand any special conditions imposed by the lender. If there is work required to the property it may be a condition of your mortgage that this is completed.

- Step 5** Your solicitor will complete the searches and enquiries regarding the property, they will then draw up the contract. Your solicitor will need you to sign the contracts and have your deposit ready to enable exchange of contracts.

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- Step 6** Once the rest of the property chain is in a position to exchange, your solicitor will arrange exchange of contracts. This can be a very difficult process especially where there is a long or complicated chain involved, and it may not happen on the first day they try. When your solicitor is ready to exchange contracts they will contact you to confirm you are happy to do so and to confirm your completion date (unless you have told them in advance).

- Step 7** Contracts are now exchanged between you and the seller. You are now legally bound to buy the property. You need to advise us that you have exchanged so that we can put any policies and insurances we have arranged in force. Your buildings insurance will be put in force, but do not cancel any on the property you are selling; these will need to remain in force until completion. Advise your removal company when you are moving.

- Step 8** Completion day. Call the estate agents and arrange to collect your keys, you will not be able to have the keys until the agent has had confirmation from the solicitor acting for the seller that they have received the completion monies from your solicitor. There may be a delay in the money coming through and your solicitor will not be able to guarantee what time the money will be received. It is really a case of waiting, don't worry, your removal company is used to this and by the end of the day you will be in your new home.



Checklist

What you have to do

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- 1. Contact us so that we can arrange to get a mortgage agreed in principle
- 2. Register with a few estate agents
- 3. Find a property and make a formal offer
- 4. Contact us so that we can confirm to the agent that you are in a good position to proceed. This helps secure the house purchase for you
- 5. Instruct a solicitor, check with us that they are acceptable to the lender
- 6. Contact us so we can arrange a full mortgage application
- 7. Decide whether you want any additional surveys done
- 8. Contact removal companies and get quotes
- 9. If the valuation has indicated problems get quotes or further surveys done
- 10. Once you have your mortgage confirmed, check your solicitor is doing searches
- 11. Confirm your solicitor is drawing up a contract to be signed
- 12. Arrange an appointment with your solicitor to sign contracts and pay the deposit
- 13. Exchange of contracts
- 14. Advise us of the exchange so we can put insurances in place



- 15. If arranging your house insurance elsewhere make sure this is in force
- 16. Advise your removal company of completion date
- 17. Plan your move
- 18. Completion day!! Call your estate agent to collect the keys.
- 19. MOVE IN

If you have been happy with our service please recommend us to your family, friends and work colleagues. We can send you spare business cards if you need any. If you have been unhappy or dissatisfied with any aspect of our service, please advise us so that we can improve our service in the future.



Once you have settled in

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Home Improvements

Once you have been in your new property for a while you may decide to do some home improvements.

Extending your home can be very cost effective, especially if the alternative is moving home, with all the expense and upheaval it involves.

If you need to raise money for home improvements talk to us, we may be able to arrange a re-mortgage with a competitive rate on the whole amount to make it even more affordable. It may be that by moving to a different rate, depending on the extra amount you want, it may not cost you that much more than your existing payments.

It may be that you can raise the money from your existing lender, but it is worth looking at all the options available to you at the time.

Help with repayments

It is very important not to over commit yourself when you take on a mortgage or any other type of loan.

If in the future you find you are having difficulty, contact us, we may be able to consolidate your loans and credit cards on to a new mortgage deal and make your budget a little less tight.

It is important to try and sort out the problem before you get to the point where you are missing payments on your mortgage. If you find you are unable to pay your mortgage payments contact your lender straight away.

Arrears and Repossession

Lenders who adhere to the Financial Services Authority regulations have undertaken to reach agreements with borrowers to give them time to clear their mortgage arrears. Repossessing a property is a last resort. Chances are that once your lender knows the facts they will probably be able to make arrangements so that you do not lose your home.

Information about mortgage debts may be disclosed to credit reference agencies and to other lenders (via the council of mortgage lenders possessions register) if you've:

- Fallen behind with your payments.
- Not made proposals that are satisfactory to the lender for repaying the debt following a formal demand.

Lenders must give you at least 28 days' notice of their intention to disclose.

Where the lender sells the property following repossession, you remain liable for all sums including arrears, interest and the lender's legal and sale costs.