



## MORTGAGES

If you're coming up to your first re-mortgage, it can be as daunting as completing a mortgage application as a first-time buyer. In most cases, those looking to re-mortgage are coming to the end of their fixed-term rate with their current lender and want to avoid moving onto a standard variable rate (SVR).

Standard variable rates fluctuate with the market, so the price per calendar month can vary dramatically. However, a fixed-term rate is far more attractive for most as you are more in control of your monthly outgoings.

### So, what does re-mortgaging mean?

Simply, it means moving your mortgage to a new lender whilst remaining in the same property. There are multiple reasons you may need to re-mortgage, and here are just a few examples.

You may re-mortgage to:

- Get a better interest rate
- If your fixed-term mortgage agreement is coming to an end and you'd like to fix it again with a different lender
- To reduce the mortgage term
- Complete home improvements
- Release capital (e.g. if you are looking to raise a deposit for an investment property)

### Re-mortgaging with the same lender

If you're happy with your lender, then your broker can look to complete what's called a 'product transfer' and move you onto a new, better rate with the lender. Transferring to a new product is a significantly more straightforward process and requires just a swap of mortgage products.

### Steps to Re-mortgaging

Here are some steps your broker will follow if you are looking to complete a full re-mortgage.

#### Receive correspondence from your lender

As you reach the end of your fixed-term rate, your lender will contact you detailing the date you'll transition onto their SVR. It would now be a good time to contact WBW Mortgages on **01803 500544** or **hello@wbwmortgages.co.uk**, where one of our expert advisors will be able to help advise and guide you on the best way forward.

#### Select mortgage and new lender with your broker

Your mortgage broker will advise you on the best options to proceed with, regarding a product switch or a re-mortgage. Then they will recommend the most suitable solution.

*Note: Your broker will likely ask about your Home Insurance at this point, and it's best to provide them with your renewal date so they can send you a quote at the time of your renewal. Remember brokers have access to rates that are not accessible by the general public and are already aware of your requirements due to having the information from your mortgage application.*

#### Appoint Solicitors

If you are moving to a new lender, you must appoint a solicitor to carry out the legal proceedings associated with re-mortgaging. However, if you had a good experience when purchasing your property, using the same solicitor as before can make you feel more at ease.

*Note: If you don't have a solicitor in mind, ask your broker if they have a relationship with any local solicitors. If they can recommend a good solicitor, this can help speed up the process as a seamless line of communication will have already been established.*

### **Complete Eligibility checks**

Your broker or bank may ask for documents to help prove that you're in a financial position to borrow the required amount. Having these documents to hand will keep the process running smoothly.

Here are some examples of the type of document you may need to provide:

- Utility bills to prove address
- ID such as passport or driver's licence
- P60
- Three months' worth of bank statements (be prepared to provide up to 6 months if you are self-employed)
- Your regular outgoings (e.g., Subscriptions such as Netflix, Gym membership etc.)

### **Receive a Mortgage in principle (MIP)**

Your mortgage broker will handle the correspondence with your chosen lender, and they will issue you a Mortgage in Principle, just as you did when selecting your first mortgage. Remember that MIP indicates what the lender is willing to loan you and is not set in stone.

### **Complete your mortgage application**

Your broker will complete the mortgage application on your behalf, and they will handle most of the administration. In addition, your broker can help explain the meaning behind any jargon and is there to answer any questions.

### **Lenders Valuation**

The lender needs to confirm the value of the property you own to check if it's worth the amount you are asking to borrow. This is called a valuation and is now often done online.

### **Receive mortgage offer**

Once your application has been fully underwritten and agreed by the lender, you, your broker, and your selected solicitor will receive confirmation of an

offer. The offer will detail the amount you will be able to borrow and will rely on your solicitors completing the necessary checks.

### **Solicitor will transfer the funds**

Your solicitor will pay off the old mortgage with the funds allocated by the new lender; this is called a drawdown of the mortgage funds.

### **The new mortgage is registered**

Your details will be re-registered with the Land Registry and title deeds transferred to the new lender.

### **Protecting your Asset**

Once you have your re-mortgage sorted, it's crucial to ensure your insurance policy is up to date. We can all fall into the trap of letting our insurance continue to renew without checking the cover is adequate, as, for most of us, it ends up at the bottom of our to-do list.

However, it is vital that your insurance is up to date and provides the right cover for your property should you need to claim.

As we progress in life, our circumstances can change over time, from getting engaged to having children and pets and completing work on our properties; all these life events have a risk factor that an insurer should be informed about.

You may even opt for additional coverage to protect your home as your situation changes.

### **Accidental Damage**

This type of cover will protect you from unforeseen events that cause visual Damage to your property by an outside force. This addon usually comes in two parts: Accidental Damage to Buildings and Accidental Damage to contents.

### **Accidental Damage to Buildings**

Accidental Damage to buildings will cover Damage caused to permanent fixtures on your property. e.g. underground pipes, fixed glass, basins and toilets.

### **Accidental Damage to contents**

Accidental Damage to contents will cover any damages caused to items within the property such as televisions, mirrors, oven doors etc.

### **Personal Possessions**

Another type of cover you may want to think about is personal possessions. This cover will protect the items you carry around in everyday life, such as watches, mobile phones, and jewellery. But remember, if you want to cover an item over £1,000, such as an engagement ring, you'll have to specify it.

### **The Value of a Broker**

Brokers have many beneficial qualities to help enhance your mortgage and insurance experience.

What a broker will do for you:

#### **Save you time and stress**

Taking care of the administrative side of your insurance and mortgage is part of their role. A broker will ensure that you don't need to complete any complex paperwork without their guidance.

#### **Provide you with reassurance**

Your broker does this day in and day out, so you can be sure that they know where and how to find the most suitable deal for you. So, let them take care of it.

#### **Provide expert knowledge**

The majority of people are unaware of the intricacies of obtaining insurance or a mortgage. So rest easy knowing your broker has expert knowledge of how to cover a standard property and those more bespoke builds.

#### **Offer a broader range of products**

With a range of products not accessible by the general public, brokers can genuinely search the whole of the market.

#### **Provide ongoing support**

Your broker will always be on hand to offer you support and guidance.

### **Avoiding Aggregators**

Sometimes it can seem like a quicker process to obtain insurance yourself through one of the many aggregator websites. Aggregators will offer cheap and shiny premiums, which can seem rather attractive. However, if you dig deeper into the cover limits, you'll usually find the product is missing some bare essentials.

The Financial Conduct Authority (FCA) has recently brought in a piece of legislation relating to the fair sale of home insurance. It's no secret that aggregators have historically offered low introductory prices to entice their new customers whilst hiking the premiums for those renewing. We've all played the game with our insurer at renewal to barter the cost to a reasonable price, haven't we?

Well, no more. Insurers now have to offer the same price for new and renewing customers.

What does it mean for you?

- You may not find the deals if you shop around on aggregator sites anymore
- What your broker quotes will be pretty standard across the market
- You'll receive a fair price at renewal
- You'll want to check your policy (if you have been with the same insurer for some time) to ensure you're not paying over the odds.

When obtaining insurance through a broker instead of an aggregator, they will also protect you from:

- Quotes that leave a footprint on your credit score
- Hidden endorsements
- Weak cover limits
- High hidden excess rates
- Poor quality insurers
- Hidden fees

**THINK CAREFULLY** BEFORE SECURING OTHER DEBTS AGAINST YOUR HOME. YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.