

HOW TO ARRANGE A **REMORTGAGE** THROUGH US



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Taking out a mortgage is an ongoing financial commitment that needs reviewing regularly. It's unlikely you'll stick with the same mortgage product for the whole term – you can take advantage of a new product to suit your needs and current finances.

This guide explains everything you need to know about the remortgaging process.

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WHAT IS A REMORTGAGE?

This is when you move your current mortgage to a different lender or a new mortgage product (known as a product transfer if you stay with the same lender) without moving home. You pay off your existing mortgage with the proceeds of a new one, and you continue to use the property as security against the new loan.

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WHY REMORTGAGE?

There are lots of reasons why you might want to remortgage. Here are a few:

Your current mortgage product is ending

Most lenders offer a product with attractive rates for the initial benefit period (typically 2-5 years). When that time's up you're automatically moved onto your current lender's Standard Variable Rate (SVR) by your current lender, which might not be beneficial. Remortgaging, when your current product runs out, means you could take advantage of a better deal from either another lender or your existing one.

Raise money for additional borrowing

If you wanted to borrow additional funds but your current lender has said no to lending you the additional monies (known as a 'further advance' or a 'top up'), you may want to remortgage to a new lender that will allow you to borrow more. This could be used for carrying out home improvements, helping your children raise a deposit for their own home or paying off existing debts (see 'debt consolidation'). There may be fees and additional costs involved, but our Mortgage Consultant will discuss these with you.

Change in circumstances

Your current mortgage might not be the most suitable if your situation changes. Things like marriage, having children, receiving inheritance, an increased salary or divorce might mean you would like to take another look at your financial commitments, including your current mortgage arrangement.

Pay off some capital

If you find yourself with extra funds you might want to reduce your mortgage amount by paying off extra. Remortgaging with a new lender may let you do this if your existing lender does not allow you to make large overpayments on your current mortgage.

Debt consolidation

Should you need to manage your financial commitments, there are products that can be used to consolidate debt, including:

- Taking out a personal loan.
- Taking out a further advance on your existing mortgage.
- Remortgaging to a new lender with an increased mortgage amount.

Taking out a further advance, or remortgaging to a new lender with an increased mortgage amount to pay off existing debts,* can help since the mortgage will likely have a lower interest rate than a personal loan or other forms of credit. You'll be repaying the further advance over the term of your mortgage though, so it might not be the most cost-effective option.

*Think carefully before securing other debts against your home.

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THINGS TO CONSIDER

If your current mortgage deal is coming to an end or your financial situation has changed, it's a good idea to check what other mortgage products are out there. You've been paying off a mortgage on a property that might be worth more now, so you may have an increased amount of equity in the property. This could make you eligible for a wider range of mortgage products with better rates.

Here are a few things to consider before remortgaging:

Product transfers

A product transfer allows you to transfer your existing mortgage to a new mortgage deal with the same lender. For example, you may currently be on an interest rate of 1.99% with your lender and approaching the end of your initial benefit period. To avoid your interest rate going up when you are transferred to your lender's SVR, you may be able to apply for a new product with the same lender (instead of switching lenders). Our Mortgage Consultants will be able to compare what your current lender is offering you against other products from our panel of lenders to find you the most suitable deal.*

Early repayment charges

Most mortgages have an Early Repayment Charge (ERC) that usually covers the initial benefit period. If you remortgage during this time you might have to pay that charge.

It's worth checking with your lender to see if your mortgage has an ERC, how much it is, and when it expires.

Outstanding mortgage

Before applying for a remortgage, you'll need to confirm how much you owe on your existing mortgage from your current lender. Our Mortgage Consultants can help you with this.

Bank of England base rate

The official bank rate (also called the Bank of England base rate BOEBR) is the interest rate the Bank of England charges banks for secured overnight lending. Most UK lenders use the base rate to help calculate interest rates on their own products.

*Subject to status and lender criteria.

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HOW MUCH DOES A REMORTGAGE COST?

Although there are some mortgage products without fees, some do have costs. Our Mortgage Consultant will discuss these fees with you.

Here are some fees you may incur to secure your mortgage with a lender:*

- **Arrangement fee** – paid to the lender for arranging your mortgage.
- **Booking or reservation fee** – usually charged upfront, it reserves the mortgage you have been offered while your application is being processed.
- **Valuation/survey** – pays for the valuation/survey carried out on the property.
- **Legal fees** – costs incurred by your conveyancer for the legal work required for a mortgage.
- **Broker fee** – a one-off fee payable to us for lifetime membership to our mortgage services, which comes with a number of benefits.
- **Administration fee** – payable to us, for handling all the administration on your mortgage application.

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HOW WE CAN HELP

Our Mortgage Consultants are fully authorised to give mortgage and insurance advice, and are regulated by the Financial Conduct Authority (FCA) for your peace of mind. Whatever your situation we can tailor the right mortgage and insurance products to suit your circumstances.**

Long-standing agreements with our panel of lenders mean we sometimes have access to exclusive rates not available anywhere else. Our Mortgage Consultants know the details of each lender's criteria, so they can advise you based on your circumstances.

What we'll do for you

- Search thousands of mortgage deals from our panel of selected lenders to find the right mortgage for you.**
- Confirm how much you may be able to borrow and all the costs involved.**
- Take care of all your mortgage and insurance arrangements.**

*The total fees payable will depend on your lender.

**Subject to status and lender criteria.

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SECURE A MORTGAGE

How much can you afford to borrow?

How much you can afford to borrow for a mortgage depends on lots of things: your income, expenditure, financial situation and personal circumstances are all factors.

Lenders need to know much more about you than just your salary before making a decision on how much they're willing to lend by way of a mortgage. The lender will look closely at your financial history and existing commitments before making a decision. This is done for every mortgage application, including remortgages.

Each lender's criteria can be a little different, so what might be enough for one isn't guaranteed to be accepted by another. Speak to one of our mortgage consultants who can explain each lender's criteria and advise you on what you can afford to borrow.

How to apply for a mortgage

We can handle all the paperwork for your remortgage application. Please have available original copies of the following documents. Don't worry if you don't have them all to hand – our Mortgage Consultant will advise you which documents you need, depending on the lender.

Photo ID

- Valid UK/EU passport.
- Valid driving license.
(if not being used for address verification)
- Valid firearms ID card.
- National ID card.

Income proof

- Latest P60 and last 3 months' payslips.
- If self-employed, last 3 years' audited accounts/ SA302 form, including tax year overviews.
(some lenders may accept less than 3 months' documents)
- Accountant's certificate.
(which includes their name and address)
- Proof of any bonuses/recent pay rise.
- Pension/benefit statements.

Address verification

- Utility bill dated in the last 3 months (not a mobile phone bill or junk mail).
- Valid driving license.
(as long as the address is correct and it's not being used for photo ID verification)
- Annual council tax bill.
- HMRC/DWP letters dated within the last 3 months.
- Last 3 months' bank statements.
(some lenders may accept less than 3 months' documents)
- Latest credit card statement.
- Latest mortgage statement (if applicable).

If you're making the application with another applicant(s), we'll need to see these documents for all of you.

Once our Mortgage Consultant has recommended a remortgage based on your circumstances,* they'll submit a remortgage application to the lender with certified copies of your documents (to prove they have seen the originals) and details of your property.

The lender will process your application and arrange a basic mortgage valuation on the property.

Mortgage offer

Once the lender is satisfied with the results of the valuation and the details you provided as part of the remortgage application, they will be in a position to issue a mortgage offer and send a copy to the conveyancer involved, who will work towards completion. You will also receive a copy of the mortgage offer.

Conveyancing

This is all the legal work involved in remortgaging. Our Mortgage Consultant will advise if there are any fees to pay and will arrange the conveyancing for you.

*Subject to status and lender criteria.

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INSURANCE

Protecting your home and yourself

The mortgage lender will require you to have buildings insurance in place from the point you exchange contracts on a freehold property. Some buildings insurance policies have an element of accidental damage cover included, but you may want to add additional cover for more protection to the physical structure of your new home.

You should consider adding contents insurance to be effective as soon as you start moving your possessions in. You can also add accidental damage cover to this.

There are other insurance products you may also want to think about.

Speak to our Mortgage Consultant about:

- Life insurance.
- Critical illness.
- Income protection.

Making a will

If you haven't made a will, buying a home is a really good reason to finally do it. Planning what happens to your money, possessions and property in the event of your death would save your loved ones additional stress, worry and cost at a difficult time.

Our will-writing partner can guide you through the process to give you peace of mind, just ask our Mortgage Consultant for details.

Lifetime membership

When you take out a mortgage through us you can choose to become a Lifetime Member. This means you will receive ongoing mortgage and insurance advice for life. You will never have to pay another broker fee again, no matter how many times you move or remortgage.**

We will review your mortgage and insurance needs regularly to give you the best mortgage products and services.* We will also inform you of key developments in the market to show how they could affect you.

We will be in touch when your mortgage is coming to an end to look at your options and provide professional advice on what's best for you at the time.*

If you decide to move, sell your property with us and you can enjoy a discount on the cost of conveyancing and estate agency fees too. Plus, you can even earn rewards by recommending a friend.***

* Subject to status and lender criteria.

** An administration fee will still apply on all future mortgage applications.

*** Can be withdrawn at any time.



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A BROKER FEE MAY BE PAYABLE UPON MORTGAGE APPLICATION AS WELL AS AN ADMINISTRATION FEE. THE TOTAL FEE PAYABLE WILL DEPEND ON YOUR CIRCUMSTANCES. YOUR MORTGAGE CONSULTANT WILL EXPLAIN ANY FEES APPLICABLE IN YOUR INITIAL APPOINTMENT.

THINK CAREFULLY BEFORE SECURING OTHER DEBTS AGAINST YOUR HOME OR PROPERTY. YOUR HOME OR PROPERTY MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE. YOU MAY HAVE TO PAY AN EARLY REPAYMENT CHARGE TO YOUR EXISTING LENDER IF YOU RE-MORTGAGE.



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