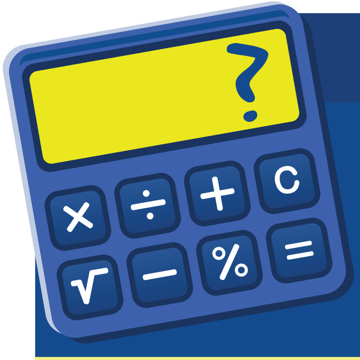

Remortgage guide

An easy, step-by-step guide to remortgaging from one lender to another

If you're thinking about remortgaging your home and don't know where to start, this user-friendly guide is for you! We take you step-by-step through the pros and cons, and things you need to know to make the right decision for you.

Read straight through the Guide or jump to a particular section of interest as outlined on our contents page.

We've included a user-friendly glossary to help you make sense of the jargon! You can find all purple words throughout the Guide in the glossary.

If you need to sell your current home, why not check out our new **Home Selling Guide**, which will help steer you through the whole process, giving you handy tips along the way.

Guide to remortgaging

Click on a Step to jump straight to that section.

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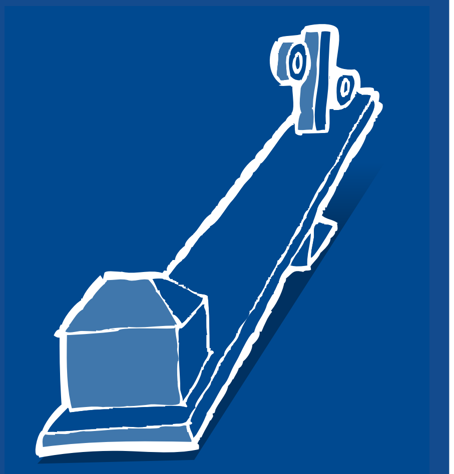
What are the costs?

When is it best to remortgage?



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What is a remortgage?

A remortgage most commonly refers to the process of moving a mortgage from one lender to another, by paying off the original mortgage with the proceeds of the new one, using the same property as security.*

What are the costs?

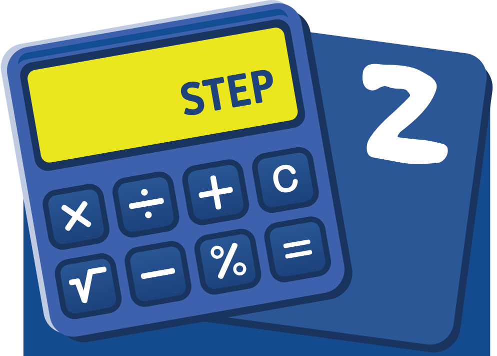
There are usually costs involved; your current lender may charge you an 'early repayment charge' (sometimes known as an 'early redemption charge') and your new lender may charge arrangement/booking and product/reservations fees. You will also need a new survey and valuation, which you may have to pay for, although some lenders offer these for free when you remortgage to them.

A remortgage may allow you to benefit by saving money with a better deal, borrow more for home improvements or repay other debts.

When is it best to remortgage?

If you are nearing the end of your current deal or paying the standard variable rate, it's a good time to start thinking about remortgaging. You may also be thinking about raising extra capital at the same time.

But many agree that you should review your mortgage regularly anyway, to ensure your mortgage terms and features continue to best suit your ongoing circumstances.



- To save money
- If you're looking to raise money
- For suitability or flexibility
- Potential pros and cons

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Why remortgage?

People look to remortgage for many reasons; many to save money and others to find a more suitable or flexible deal than they currently have. A lot of people also consider raising money at the same time as remortgaging.

To save money

It makes sense that the lower the interest rate, the lower your monthly payments will be, so compare what you are paying on your current mortgage with the deals available. Even if you feel you have a good deal at present, make sure you know when it's due to end and what your options are, though be aware that interest rates regularly change, so what's available now might not be available when your current deal ends. Do your sums and calculate what the true cost of moving your mortgage will be. You need to factor in all the costs and fees involved to decide if it is worthwhile doing.

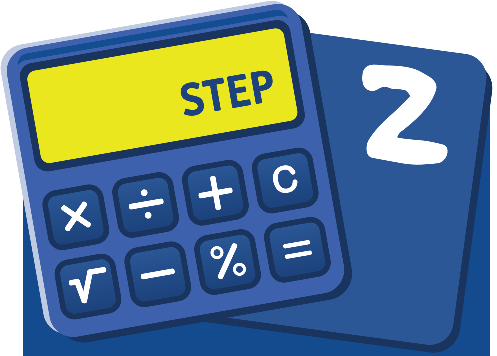
The 'overall cost for comparison' (also known as the 'annual percentage rate' or 'APR') helps you compare like for like, as it shows the total yearly cost of a mortgage as a percentage of the loan. It includes not only the interest rate paid but fees and other charges too. Remember though that it assumes you will be keeping the mortgage for the whole term and you might want to remortgage again after your new deal ends!

If you're looking to raise money

- **For home improvements:** remortgaging to carry out home improvements makes sense if you can afford the new payments, providing the improvements increases the value of your home in the long term. It's an investment in your property!

- **For debt consolidation:** if you have several debts and are struggling with the repayments, you may choose to remortgage in order to get the money to clear these debts. If you are considering remortgaging to consolidate debts, think **very** carefully before doing this, **as your home will be at risk if you fail to meet the repayments**. It may be wise to consult an Independent Financial Advisor (IFA) or get free advice from the Citizens Advice Bureau about your options.

- **Equity release:** if your home has increased in value during the period of your mortgage, you might be able to borrow more through 'equity release'. This could give you cash for a car, holiday or other spending, but make sure you can afford to keep up with the new payments. Also remember your mortgage loan will increase but not the value of your property.



To save money

If you're looking to raise money

For suitability or flexibility

Potential pros and cons

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Why remortgage?

For suitability or flexibility

- **Changes in personal circumstances:** life events happen, good and bad! Whether it is a marriage or birth, redundancy or divorce, these will have a bearing on our mortgage needs and our ability to make payments.

- **To change the features or terms:** you may have come into money and wish to reduce the amount you borrow or the length of the term. You may feel you can now afford higher repayments, or have more flexibility to make lump sum payments, take payment breaks or enjoy the benefits of an off-set mortgage. Or, you may be in a situation where extending the term of your mortgage would be a benefit to you (but remember that although this may decrease your monthly payments, you will end up paying back more interest in the long term).

- **Shortfall in investment income:** with an 'interest only' mortgage, you rely on income from another source to clear the amount you have borrowed. If the investment plan you have in place seems uncertain to meet the full repayment at the end of the term, you may want to switch to a repayment mortgage or increase the term you borrow over.

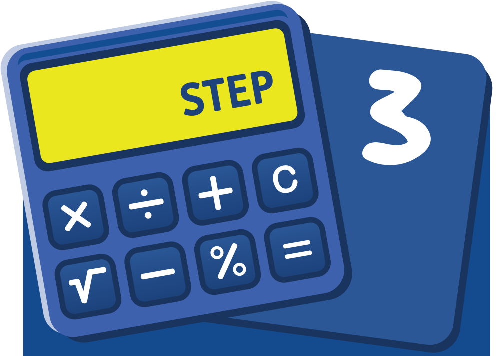
Potential pros and cons

The pros:

- You could save on a lower interest rate
- You could fund home improvements
- You could release money from your home's equity
- You could switch to a more suitable mortgage

The cons:

- There may be fees and charges involved
- You may have to pay Early Repayment Charges if you are still within the special deal period
- The remortgage process takes time, typically 4 to 8 weeks to complete
- If you have a bad credit history, you will have fewer options
- Using your home as security may lead to it being at risk if you can't keep up your new payments
- If you increase the term, you may drastically increase the overall cost of your mortgage
- If you later have to claim Benefits for help to pay your mortgage, you will receive no money for a loan you took out for non-housing costs, such as buying a car.



- Understanding your existing mortgage
- What do you want from your new mortgage?
- Speak to your current lender
- What lenders look at!

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Things to consider

Before you start to search for your ideal new mortgage there are several things it would be wise to consider.

Understanding your existing mortgage

Do you know what type of mortgage you currently have and fully understand its terms and conditions both in the short and longer term? Take a good look at it!

Many lenders will charge you an 'Early Repayment Charge' if you repay your mortgage in the early years or during the term of your special deal period.

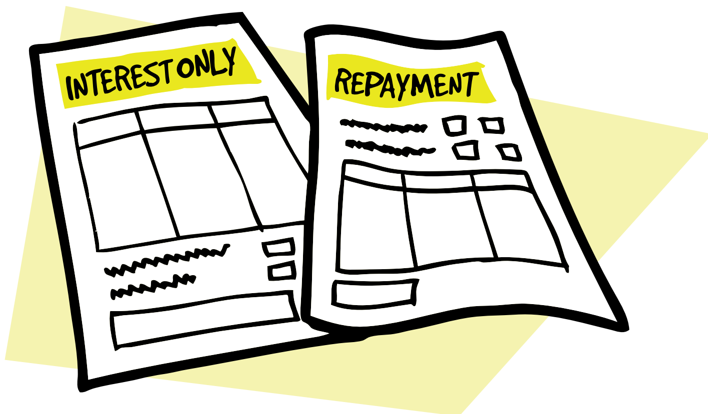
If you look at your current mortgage paperwork (from the terms and conditions in the key financial information) you should be able to see if these will apply or not. Alternatively call your lender and ask. Early repayment charges can be calculated in different ways, typically several months' interest or a percentage of your loan, although they usually reduce over time. Either way, it could cost you several thousand pounds, so check exactly what it will cost you as it might be worthwhile waiting until your special deal period ends.

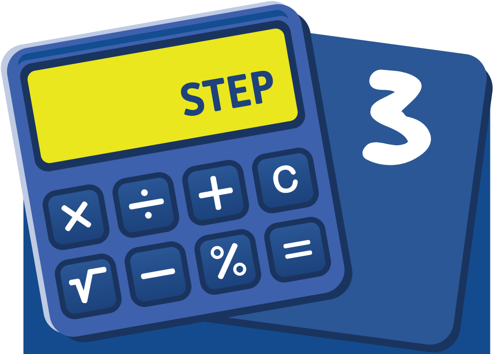
Watch out for other possible charges such as exit fees (also known as 'redemption charges'), and some mortgages still have an 'extended tie-in' that goes beyond the special deal period.

What do you want from your new mortgage?

Now think about your own circumstances, have they changed? Are you looking for **interest only** or **repayment (capital and interest)**? If 'interest only', are you confident you have in place the means to repay the full loan amount at the end of the term, via investments, endowment, pension, ISA, etc.?

Do you want the same type of mortgage again, or a different type? Seriously think about what would best suit you. Then decide on the type of deal and features within that type that would be best for you (see **Step 5**). Remember, not all mortgages offered by a lender are available for customers remortgaging.





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Things to consider

Speak to your current lender

Before you start shopping around, speak to your current lender to see if they can offer you a better deal. It might be simpler and cheaper to switch to one of their products than go elsewhere, as you may avoid certain fees and charges. You will need to find out which deals you are eligible for and get details of each to compare against what is available elsewhere.

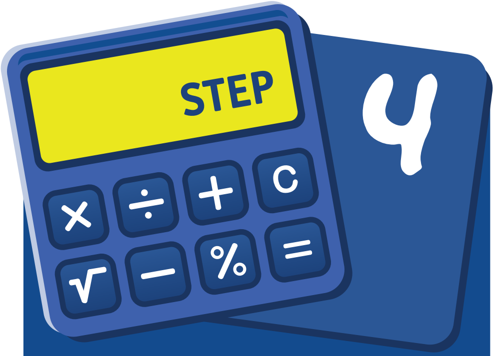
You should also ask for a 'redemption quote', which shows exactly what you currently owe and will help you decide how much you want to borrow. However, be aware that some lenders may charge a small fee for this.

Remember though, besides the cost issues, consider how happy you are with your current lender, what their reputation in the marketplace is like and how they value you as a customer.

What lenders look at!

It is all very well deciding what you want, but there are lots of things that lenders look for too. Each lender has its own borrowing criteria that you will need to satisfy.

- Do you earn enough to borrow the amount you want?
- Are you self-employed or new in a job?
- How much debt do you have?
- If you want an 'interest only' mortgage…can you show evidence of the investments you have in place?
- Most lenders will only allow you to borrow a certain amount of the property's current value. Are you looking to borrow too much?
- How good is your credit rating?
- Have you ever missed a mortgage payment in the past?
- Do you have any County Court Judgements (CCJs) against your name?



How much can you borrow?

How much can you afford?

Over how long?

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You have decided to remortgage – what now?

So you have decided you do want to remortgage! Now you need to work out how much you can borrow and what you can afford.

How much can you borrow?

How much you can borrow depends on your personal circumstances and what the lender is willing to lend you. While this decision is mostly based on your income and outgoings (or a joint income and outgoings if you are buying with someone else) other factors such as your credit rating, your loan-to-value ratio and the current value of your property will also be considered. The lender will carry out an assessment to decide how you 'score' financially. Individual lenders are obliged to lend responsibly, and use their own criteria when deciding whether or not to lend you money.

The **loan-to-value** ratio is the comparison between the amount you want to borrow and the value of your home expressed as a percentage. It tells the lender how much equity you have in your home. The lower the percentage, the better deals you can usually get.

Click the link below to view

▶ **How much can you borrow from Nationwide?**
You can use this online tool to see how much Nationwide could lend you.

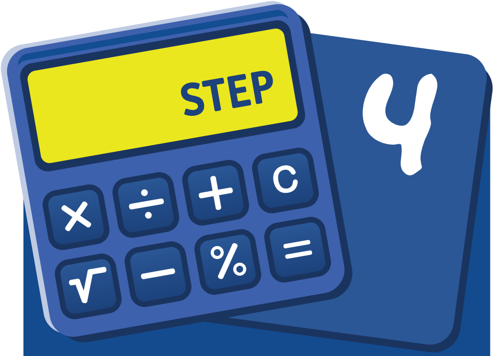
Your Credit Rating

Although you are borrowing for a property you already have, the lender will want to make sure that your credit rating is adequate. They use the information you give in your application, but they also rely heavily on data supplied by credit reference agencies. Your 'credit worthiness' is based on your history of borrowing and repayment; it also takes into account any other financial assets or liabilities you might have. From all this information, a 'credit score' is generated. If you have a poor rating you will be considered a greater risk and may be offered a less favourable rate, or even have your application declined.

There are some ways that you can improve your credit rating, such as registering to vote. Look in **Appendix b – Useful Contacts** for websites where you can find more ideas on how you can better your credit rating.

Click the link below to view

▶ **House Price Index calculator**
You can get an idea of how much your home could be worth with Nationwide's online calculator.



How much can you borrow?

How much can you afford?

Over how long?

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You have decided to remortgage – what now?

How much can you afford?

Do the sums!

You should always take the time to calculate as far as possible what the real cost of the various options would be. Work out not only what you think your new monthly payments will be, but also what the overall cost over the time you plan to keep the mortgage will be, whether this is for its whole term or until you remortgage again when the special rate ends. That way you will be comparing like with like.

Interest rates and monthly payments

To work out how much a monthly payment would be, the following table gives you a guide. It gives a range of interest rates and what you could expect to pay on an 'interest only', or a 'repayment' mortgage for each £1,000 borrowed… it's only a guide though, based on a 25 year mortgage term agreement! Remember that interest rates can change, so keep that in mind when budgeting or choosing which mortgage is best for you!

As an example, take the amount you want to borrow and divide by 1,000, then multiply that amount by the rate of interest.

Click the link below to view

▶ **Payment Calculator**
You can use Nationwide's calculator to compare monthly payments at different interest rates over different terms

Payment Per Month Per £1,000 Borrowed

The interest rate	Interest only mortgage*	Repayment Mortgage
2.5%	£2.08	£4.49
3.0%	£2.50	£4.74
3.5%	£2.92	£5.01
4.0%	£3.33	£5.28
4.5%	£3.75	£5.56
5.0%	£4.17	£5.85
5.5%	£4.58	£6.14
6.0%	£5.00	£6.44
6.5%	£5.42	£6.75
7.0%	£5.83	£7.07

* Also budget for the additional monthly cost of the investment you will need in order to pay the 'capital' off at the end of the term.

So for example, if you were borrowing £150,000 over 25 years at an interest rate of 4.5%, the monthly cost would be £562.50 interest only or £834 repayment.

Over how long?

When deciding the length of term on your new mortgage, beware of false economy! Whilst it's tempting to add years for the benefit of reduced payments, calculate how much extra you will repay in total over the term and you may be shocked!

Choosing the right deal

Make sure if you are going to remortgage that you choose the right deal for you!

Where to look for a remortgage deal?

The main places that offer mortgages are:

- Building societies and banks
- Insurance companies
- Brokers/Independent Financial Advisors
- House building companies
- Specialist mortgage companies or finance houses.

Online Comparison Tools

Online comparison tools are easy to use. By simply inputting a few basic details about your personal circumstance and preferences, you will be provided with a list of available remortgaging deals to consider. They usually allow you to compare by various criteria including; type, features, maximum loan-to-value, overall cost for comparison, standard variable rates and, very importantly, interest rates!

Think of the time you can save accessing these details all in the one place. They often also allow you to click through to the lenders website and begin the application process there and then.

Online, by phone or in person

Alternatively you can visit your preferred lenders' websites, call their mortgage advisors, or if they have a local branch, pop in and speak with them.

Professional advice

If you feel a bit overwhelmed, there are many professionals who can help including mortgage advisors, brokers, lenders and Independent Financial Advisor (IFAs). Do check that whoever you choose is regulated by the Financial Services Authority, meaning they are obliged to meet certain standards and treat you fairly. Also be sure to ask at the outset about their level of independence and the extent of the service they will provide, as well as if and what they will be charging you.

Where to look for a remortgage deal

Professional advice

Types of remortgages available

Additional features

Compare your options

Choosing the right deal

Types of remortgages available

There are many different types of mortgages and you have to look carefully and understand what each offers. Here are the main ones.

- **Fixed Rate mortgages:** this means that you agree a rate of interest that stays fixed until a set date (for example 2, 5, 10 years or longer) allowing monthly payments to remain the same throughout. This is a great way to be able to budget as you always know how much your monthly payment will be during the special deal period. You could lose out if the general interest rate drops but you may be better off if they increase! At the end of the special deal period the rate reverts to the lender's Standard Variable Rate (SVR).
- **Variable Rate mortgages:** these mortgage payments vary and can move up or down dependent on the movement of the interest rates of the mortgage lender. You may start off with a low rate but are not guaranteed this will not go up later on.
- **Tracker mortgages:** these are like variable rate mortgages, where payments can go up or down, but tracker mortgages are linked to the Bank of England base rate, and 'track' this rate by a certain percent. This means if the Bank of England base rate goes up or down, then so do your payments.
- **Capped Rate mortgages:** these guarantee a maximum amount that you would have to pay. Your payments may go up or down under that amount, as interest rates increase or decrease, but you wouldn't have to pay more than a certain amount even if the interest rates rise higher.
- **Collared mortgages:** usually found in combination with a capped or tracker mortgage, collared mortgages have a set upper and lower level (the 'collar'), so your payments never rise any higher or fall any lower than these particular levels.
- **Cashback mortgages:** these give an extra lump sum of cash at the beginning of your mortgage for you to spend on anything you like (sometimes your home). They may be linked with a variable rate mortgage.
- **Offset mortgages:** these combine a traditional mortgage with any deposit accounts you have, such as savings and/or a current account. With an offset mortgage, the balance of your savings or current account is subtracted from your mortgage debt, decreasing the net balance on your mortgage and reducing the amount of interest you pay. Usually, your money remains in separate accounts. If you remove money from your savings/current account, this increases the net balance of your mortgage account and the amount of interest you pay.
- **Current Account mortgages:** similar to an offset mortgage but these combine your current account and your mortgage in to one. You still make a monthly mortgage payment, but any savings or money paid in acts as an overpayment so you may pay off your mortgage sooner.

Where to look for a remortgage deal
Professional advice
Types of remortgages available
Additional features
Compare your options

Choosing the right deal

Additional features

Regardless of the mortgage type you choose there are many additional features that lenders may offer. It may be important to you that one or more of these features are offered as part of your deal, so give them some thought and choose your deal accordingly!

Look out for these features

- **Fees:** can you add these into your mortgage or do you need to pay them upfront?
- **Fee-free:** will the lender pay certain fees for you?
- **Flexibility:** will the mortgage adapt to your changing circumstances? (e.g. can you make overpayments or underpayments)
- **Portability:** can you take your mortgage deal with you when you move house?
- **Payment holiday:** do you have the ability to take a mortgage payment break?
- **Repayment method:** can you alter from repayment to interest only or vice versa?
- **Repayment term:** can you alter the number of years you plan to pay your mortgage over?
- **Borrow more:** are you able to easily increase the mortgage amount?
- **Longer terms:** can the term of the loan stretch to 40 or even 45 years?
- **Over payments:** are you able to make additional payments to reduce mortgage debt?
- **Interest calculated daily:** when you make a mortgage payment, does the interest payable on your mortgage balance reduce from the very next day?
- **No early repayment charges:** can you repay the mortgage or change deals within the special deal period without charge?

A useful way to compare mortgages is to get a **Key Facts Illustration (KFI)** for any mortgages you are interested in. This gives you all the information you need to know about the remortgage product, and is standardised so that you can compare mortgages from different lenders on a ‘like for like’ basis (see **Step 7** for more information).

Where to look for a remortgage deal

Professional advice

Types of remortgages available

Additional features

Compare your options

Choosing the right deal

Compare your options

Now it's time to compare. There is a huge choice of mortgages out there, so don't be overwhelmed; Stay focused!

You know what your existing lender can offer you, you've considered your needs and have narrowed your search down to the type of mortgage that suits you best, so now you can compare the range of deals and features within that type across different lenders.

Ways to compare

- A good way to get a feel for what is on offer is to use an online comparison tool, as you can narrow your search to suit your own particular needs and preferences.
- Check out the best buys in newspapers and specialist magazines.
- Visit or call lenders to check out latest best deals (some deals are only available if you go to them directly).
- Use a broker (also known as an intermediary or an Independent Financial Advisor (IFA)).

Compare 'like for like'

- Repayment (Capital and Interest) or Interest Only
- The type of loan
- The term of the loan
- The term of the special rate
- Maximum loan-to-value ratio
- Fees and charges
- Flexibility
- How interest is calculated
- Additional features or conditions

Finally when you have compared your options, you are in a position to go back to your current lender and see if they will match what is on offer!

Current lenders fees

New lenders fees

Legal Fees

Broker Fees

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What are the potential costs?

The good news is there is no Stamp Duty to pay, however there may still be significant costs involved. Check if any of the following will apply to you.

Current lender fees

As mentioned earlier, you need to check if there are **Early Repayment Charges** on your current mortgage. In addition many lenders charge an Exit fee (also sometimes known as 'Redemption Charge') to cover their administration costs.

New lenders fees

- **Booking/Arrangement Fee:** this is paid upfront to reserve your remortgage deal.
- **Product/Reservation Fee:** payable for some deals, often a non-product fee option is also offered but at a higher rate of interest.
- **Valuation Fee:** may vary depending on the value of your property (ask the lender for details).
- **Release of funds:** for an electronic transfer of funds (also known as CHAPS or telegraphic transfer).

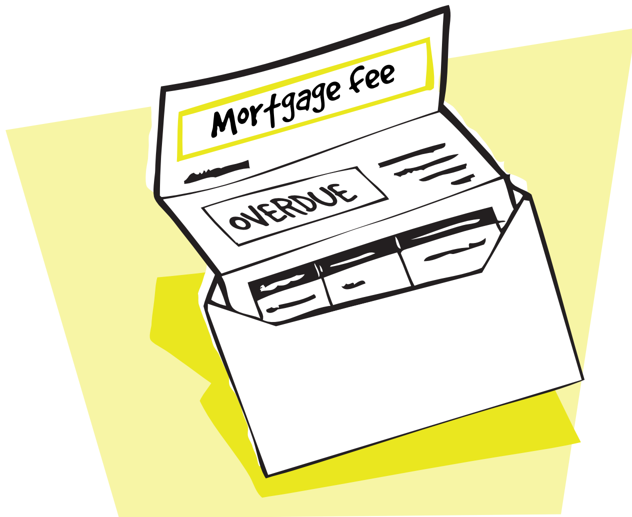
Legal Fees

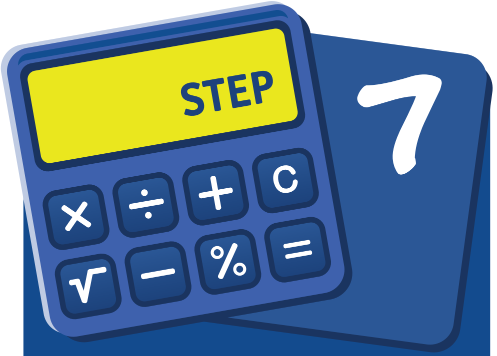
These are fees payable for the conveyancing work required for refinancing your property.

Broker fees

If you use the services of a broker, the fees may be covered in one of two ways, either they charge you directly for their services or they are paid a commission by your new lender.

Be aware that it can cost on average over £1,000 every time you remortgage.





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Steps involved when applying for a remortgage

Now is the time for the next steps. Make sure if you are going to remortgage you choose the right deal for you!

How to apply

An application will need to be completed; this could be done online, over the phone, in person at a branch of your lender, and sometimes even by post.

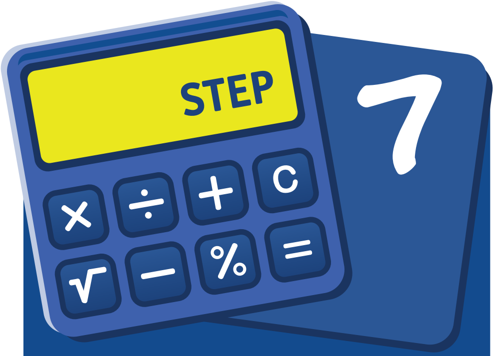
The first step is get a **Key Facts Illustration (KFI)** for any mortgages you are interested in. This gives you all the information you need to know about the remortgage product, and is standardised so that you can compare mortgages from different lenders on a like-for-like basis. It will detail the monthly payments, interest rates, fees or charges and total amount payable over the term. You can get a KFI for as many mortgages as you like before choosing the one that suits you.

You will also need to get an **Agreement in Principle** (**AIP**, also know as a lending decision or 'Decision in Principle') from your chosen lender, which means they are prepared to lend you the mortgage you have asked for, based on information about things like your income and outgoings (though be aware this is not a guarantee).

Once you have chosen your mortgage and have an Agreement in Principle, you can go on to complete a full mortgage application.

Click the link below to view

- **Online quote and Key Facts Illustration (KFI)**
  To see an example, you can get a quote and KFI online with Nationwide



Steps involved when applying for a remortgage

Paperwork that may be needed

- **Details of**
  - your property
  - your choice of mortgage
  - your bank account (if not with the lender)
- **Proof of your ID**
  - passport and your National Insurance number
- **Proof of your address**
  - proof of your address/es for last three years such as utility or council tax bills
- **Proof of your employment**
  - employer and contact number (including your own details if you are self-employed)
- **Proof of your financial situation**
  - your income e.g. – pay slips, P45, accounts if self-employed
  - your outgoings – debts, loans, etc., and your last few bank statements
  - detailed breakdown of any assets such as other accounts, properties, investments, etc.
- **Proof of your current mortgage**
  - your mortgage statement
  - a redemption statement from your current lender.

And if an 'interest only' deal, proof that you have in place the means to repay the full loan amount at the end of the term, via investments, endowment, pension, ISA, etc.

Valuation

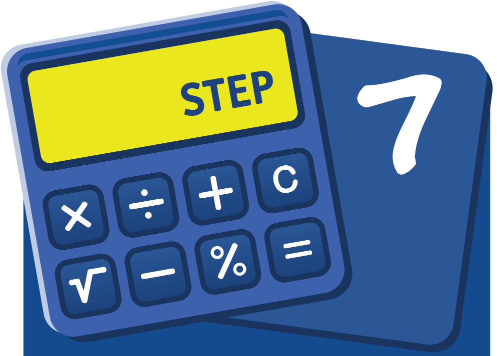
Your home will have to be re-valued. This usually involves your lender organising for a surveyor to visit your home for an inspection. However, some lenders will simply use a 'desk top' or 'drive by' valuation, where an assessment of your property is made without seeing inside.

Legal Work

A solicitor or conveyancer is needed to carry out the legal work. Either your lender will instruct one or if you wish to use your own, they usually insist that they are on their approved list. The solicitor carries out searches, checks titles on your property, checks any planning permissions, obtains signatures to the mortgage deed, etc. There is less legal work involved in remortgaging than when you buy a house, which is why it tends to cost less and some lenders will even offer it for free.

Timescales

Obviously this differs from one application to another. On average it takes between 4 to 8 weeks to complete a remortgage. Much depends on how long each step takes; the paperwork, the valuation, the legal work and searches, etc.



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Steps involved when applying for a remortgage

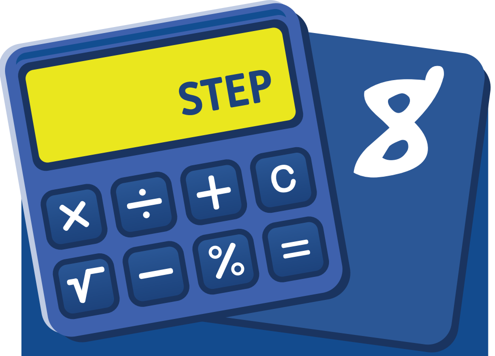
Insurance

You should already have insurance to protect your home. However now would be a good time to review your cover, especially if the survey indicates an increase in your property's value. Also if you are borrowing extra for home renovations or an extension then remember to make sure you have sufficient cover for your new improved home, for both buildings and contents!

So that's your home taken care of, but what about you? Think about how your new mortgage will be paid if you became unemployed, ill, injured or even die? While there are State Benefits available, if you are under pension age, you would not receive help with your mortgage payments for 13 weeks and even then this would not be enough to cover all your monthly repayments. In addition you will get no help for a loan you took out for non-housing costs, such as buying a car. There are several kinds of insurance that you could look at to safeguard your repayments:

- **Critical Illness:** this can provide funds if you should become critically ill.
- **Life Assurance/Insurance:** this can provide a lump payment to your next of kin should you die or become terminally ill.
- **Income Protection:** this can give a regular monthly income if you can't work because of an accident or illness.
- **Mortgage Payment Protection:** this can cover your mortgage payments if you've become unemployed, or can't work because of an accident or illness.

(For further information on insurance please see **Appendix b – Useful Contacts**)



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Making it work

Now you have secured your new mortgage, it is time to make sure that your new deal works for you!

Living within a new budget

Why were you remortgaging?

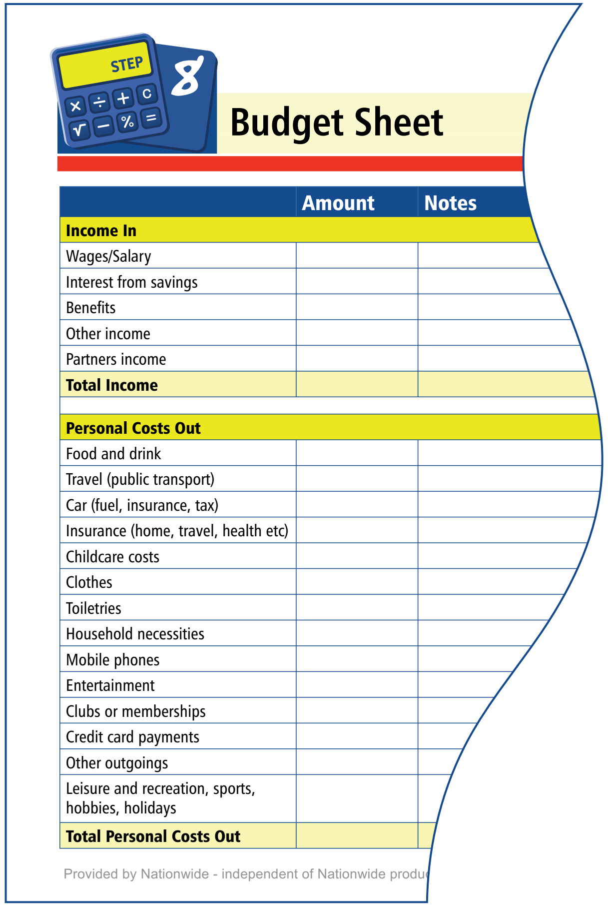
Maybe you were lucky enough to be able to reduce the amount of your loan because you had come into some money, or perhaps you were simply looking to save money on your payments by switching to a better deal.

You may be one of the majority that remortgaged in order to borrow extra money for home improvements or to release equity. Your monthly outgoings may have still increased, even with your new deal!

No matter which of these is your reason, in these difficult economic times, budgeting wisely has never been more important! Why not use this Budget Sheet to stay on top of your finances? Don't forget to include your whole household's expenses in the calculation.

The PDF includes a full budget template that you can use.

Budget sheet



STEP 8 Budget Sheet

	Amount	Notes
Income In		
Wages/Salary		
Interest from savings		
Benefits		
Other income		
Partners income		
Total Income		
Personal Costs Out		
Food and drink		
Travel (public transport)		
Car (fuel, insurance, tax)		
Insurance (home, travel, health etc)		
Childcare costs		
Clothes		
Toiletries		
Household necessities		
Mobile phones		
Entertainment		
Clubs or memberships		
Credit card payments		
Other outgoings		
Leisure and recreation, sports, hobbies, holidays		
Total Personal Costs Out		

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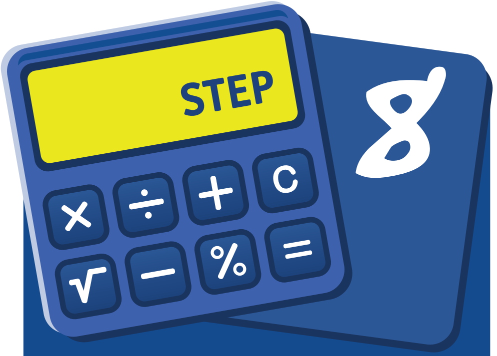

Living within a new budget

Budget Sheet

Ways to economise and live sustainably

Prepare for the unexpected

Keeping on top of payments

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Making it work

Ways to economise and live sustainably

There are many creative ways to economise! And no matter what your circumstances, it's important to live within your means and only use what you need – so make sustainable living your personal goal! Some ways in which you can do this include:

- Reduce, reuse, recycle to cut down on your waste
- Renting out a room to allow for an extra income. The Government rent-a-room scheme allows you to receive £4,250 a year in rent tax free
- Save energy – turn the thermostat down, even by 1 degree makes a difference!
- Save water by only using what you need
- Look for and buy energy efficient appliances, not just those that are cheap
- Be carbon conscious when renovating and doing 'DIY' – look into government grants for projects to increase your home's energy efficiency such as draught-proofing or insulation
- Compare deals offered by energy suppliers to get the best deal for you

Preparing for the unexpected

However well we plan, there will always be things that happen outside of our control, but you can make provisions and that's why insurance can be so important, at least to cover mortgage payments and have some income if you experience:

- Unemployment (for example, through a mortgage payment protection plan, or an income protection plan)
- Illness (long term) (for example, through critical illness, income protection or life assurance)

Keeping on top of payments

One of the worst things you can do if you find yourself in difficulty with payments is to bury your head and try to ignore things, thinking they will go away – they won't and they will often only get worse. The moment you realise you cannot make a mortgage payment, act! Go to your lender first – all responsible lenders will do what they can to help you. They may offer to:

- give you a payment holiday
- accept reduced payments from you in the short term
- agree to change or lengthen the term of your loan
- allow you to add arrears to the total mortgage debt
- convert a 'repayment' to an 'interest only' mortgage

Make sure you investigate all your options and understand any consequences, e.g. often deferring a payment can lead to incurring additional interest.

STEP 8

Budget Sheet

	Amount	Notes
Income In		
Wages/Salary		
Interest from savings		
Benefits		
Other income		
Partners income		
Total Income		
Personal Costs Out		
Food and drink		
Travel (public transport)		
Car (fuel, insurance, tax)		
Insurance (home, travel, health etc)		
Childcare costs		
Clothes		
Toiletries		
Household necessities		
Mobile phones		
Entertainment		
Clubs or memberships		
Credit card payments		
Other outgoings		
Leisure and recreation, sports, hobbies, holidays		
Total Personal Costs Out		

	Amount	Notes
Home Costs Out		
Mortgage		
Council Tax [or Domestic Rates for Northern Ireland]		
Buildings and contents insurance		
Mortgage protection plan		
Service and maintenance charges		
Landline telephone and internet		
Utility bills, (e.g. Gas, Water, Electricity)		
TV licence		
TV satellite/cable costs		
Total Home Costs		

Now add up your personal and home costs and take the total away from your income, then you should know how well you are doing. Remember a good budget allows for saving, some luxuries and an amount for emergencies such as repairs and maintenance!

	Amount	Notes
Total personal costs out		
Add total home costs out		
Total Costs Out		
Total Income in		
Minus Total Costs Out		
= disposable income		

Top Tips

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Top Ten Tips

Top tips for remortgaging

1. Make sure you start thinking about your options well before the end of your current special deal period.

2. Check to see if your current lender will charge early repayment charges or if there is an extended tie-in.

3. Give your current lender the chance to offer you a better deal.

4. Be savvy! Do your sums and make good use of all the online tools available.

5. Be wary of lenders who offer 'best' deals to new customers only.

6. Compare like with like: don't just compare interest rates, remember to factor in all the charges and fees.

7. Avoid mortgages with insurance tie-ins, as they can often be more expensive in the long run.

8. Although you may have chosen a particular rate for a certain deal period, be aware of your new lender's standard variable rate (SVR), as you may revert to it ultimately.

9. Check that the lenders you are considering charge daily interest and not annual interest, as each payment will immediately reduce your loan.

10. Be aware that some lenders only have certain deals available if you go to them directly.

Frequently Asked Questions

1. Can I remortgage more than once?

Yes you can. In theory you can remortgage as often as you like. However watch out for the fees and charges and do your sums to check it is worthwhile (but see 2 below). It can cost over a £1000 each time you remortgage!

2. Will remortgaging affect my credit rating?

Each application you make for any type of credit registers on your credit file. The more applications you make, especially if they are unsuccessful ones, the less likely it is that your next one will be accepted because lenders may think you are too much of a risk. All lenders will tell you if and when they check your credit rating.

3. If I want to switch to an interest only mortgage, what type of investment should I pick to run alongside it?

You have several options including investing in an ISA (individual savings account), a pension or an endowment; all of which offer tax benefits. Your mortgage lender may well be in a position to help in this regard. An inheritance or the disposing of another property in the future may also provide the funds you need (although you can't always rely on this).

4. Can I still get a remortgage with a bad credit history?

The good news is that you should be able to. However it might be worth considering using a broker to help you in your search. They will be in the best position to let you know what's on offer and the lenders who will look on you the most favourably. However you may have to pay a higher interest rate than someone with a good credit history.

5. Are income multipliers used when deciding how much you can borrow?

In the past lenders would have asked you how much your income (or joint income) was and multiplied this by an amount (most commonly 3 times, or 2.5 times if a joint application) to arrive at a maximum figure they would lend you. These days, as we outlined earlier, lenders are trying harder to personalise your borrowing capability and are using more sophisticated lending criteria, which includes more than just income multipliers.

6. What information is needed if I am self-employed?

Most lenders will require you to provide them with three years audited accounts, although some will settle for two years. If you cannot provide these, the lender will want to know why. If you are newly self-employed, consider using a specialist broker, as it may be difficult to get a deal, particularly at the rate you want.

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Frequently Asked Questions

7. My mortgage loan amount is very low, is remortgaging still worthwhile?

It is all about doing your sums! You will need to weigh up the costs (charges and fees) against the savings you will make in reduced payments, over the term of your loan. If you only have a small mortgage, you might be better off sticking with your current deal.

8. I'm on my lenders SVR, which is so low, is it wise to remortgage now or should I wait?

Certainly less people consider remortgaging if they are on a low SVR, as they probably feel there is little financial gain in doing so as the fees can outweigh the benefits. Additionally in such an uncertain economic climate it is difficult to predict what will happen with interest rates. However most experts feel that rates will have to rise so it is certainly worth shopping around for a good deal and working out what the costs and benefits would be in your particular case. Plus remember that interest rates can change, so what's available now might not be available when your current deal ends.

9. Can I remortgage to free up money for a new bathroom/kitchen/study?

Providing you're in a position to remortgage, you can do so for this reason. Many people do borrow more for home improvements when they remortgage and the added benefit is that you will probably increase the value of your home in the long term.

10. When I remortgage can I change to a repayment instead of interest only mortgage as my investments are not doing well and I fear they won't be enough to pay off the capital?

Yes you can as you are starting a completely new mortgage. This would be an excellent time to reassess your financial situation and opting for a repayment mortgage might give you more peace of mind knowing you are paying the capital off as you go. Some lenders will allow you to split your mortgage, so a part is on an interest only basis and part is on a repayment basis.

11. What if the value of my home has changed?

If your home has increased in value during the period of your mortgage, you may be able to borrow more. This is called 'equity release'. Remember though that the best remortgage deals are usually those with the lowest loan-to-value ratio so bear this in mind if you're considering borrowing a high percentage of your property's current value.

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Appendix a – Glossary

A - B

Advance	Another term for the mortgage loan; the amount your lender agrees to lend you
Agreement in principle	An initial document from your lender that gives you an idea of the amount they are likely to lend you. This certificate is not a guarantee, but is often needed when dealing with estate agents, so they have an idea of the size of your mortgage and if you can afford the property. Also known as a '**lending decision**' or '**decision in principle**'
Annual Percentage Rate (APR)	This is the interest rate you would pay over a year period and helps you to compare the 'cost' of borrowing between different mortgage lenders (also known as the 'overall cost for comparison'). It takes into account interest to be paid, length of the repayment term and any other charges. It also assumes you will keeping the mortgage for the whole term and does not take into account possible changes in interest rates. Note: if you plan to remortgage at the end of your initial deal period, APR may not be the best comparison as it assumes you will have the mortgage for the whole term
Arrangement fees (or booking fees)	Charged by lenders to set up a mortgage loan. These are normally payable upfront and non-refundable
Arrears	When payments haven't been paid on the due date they are said to be in arrears

Asking price	The amount the seller values their property at and wants to get if it's sold. Remember you may be able to negotiate if you think a property is too highly priced
Assets	Anything that you own of a monetary value
Bank	An organisation that offers a range of services (e.g. current and savings accounts, loans and mortgages), and has shareholders
Bank of England	Responsible for setting interest rates, issuing bank notes and maintaining a stable financial economy; the Government bank and also a lender for commercial banks
Base rate	The interest rate set by the Bank of England which is used as a benchmark by lenders to set their own charges, which would generally be higher. This is reviewed from time to time throughout the year and can fluctuate (go up and down)
Beneficial joint tenants	This means the property is jointly owned, you don't own a specific share in the property and if you die the property goes to the other owner
Binding contract	An agreement that is legally enforceable

Appendix a – Glossary B - C

Bridging loan	A special type of loan which is taken out to overcome a short term cash flow problem, usually needed when you buy a property before you sell
Broker	A person who gives advice (usually independent advice) on a mortgage (also called 'mortgage broker' or 'intermediary'). If using a broker, make sure they are registered
Buildings insurance	A type of insurance that covers you financially for any damage to your building (e.g. fire, flood, wind). Sometimes called 'home insurance' when grouped together with contents insurance
Building society	A financial company that offers the same kinds of services as a bank (e.g. letting you save or borrow money) but it is owned by its members (customers)
Buoyant market	When property is selling and prices are rising
Buy-to-let investors	People who buy property to rent out as a form of investment
Buy-to-let mortgage	Specific mortgages that are aimed at those that buy property to rent out

Capital	The amount of money you have actually borrowed, or still owe on your property (not including interest or other charges)
Capital Gains Tax	A tax levied on profit from the sale of property or of an investment
Capital and Interest mortgage	Where you pay off part of the 'capital' (amount borrowed) as well as interest each month (as opposed to 'interest only'). This usually means that everything (capital and interest) will have been fully paid off by the end of the agreed term. Also known as a repayment mortgage
Capped Rate mortgage	A type of mortgage where you have a guaranteed maximum amount that you have to pay each month. Your payments may go up or down under that amount, as interest rates increase or decrease, but you wouldn't have to pay more above that maximum even if the interest rates rise higher
Cashback mortgage	A type of mortgage that gives you an extra lump sum of cash at the beginning of your mortgage, for you to spend on anything you like (but usually the house!); often linked with variable rate mortgages. However, be aware that with some cashback mortgages you will need to pay this back (will be added to your overall mortgage)

Appendix a – Glossary

C - C

Chain free	Where a purchaser is not dependent on other properties selling first before buying or where the vendor is not reliant on their purchase proceeding before they can complete the sale of their house
Claim for possession	A legal claim, made by the mortgage lender, for possession of a mortgaged property because the borrower has not paid their mortgage loan; this is the next step after a notice of default has been issued (see **Notice of Default**)
Collared mortgage	A type of mortgage usually found in combination with a capped or tracker mortgage where there is a set upper and lower level (the 'collar'), so your payments would always be within that (never rising higher or falling lower than those levels)
Collateral	Something of value that is given as a guarantee to the lender that you are able to payback the loan; in the case of mortgages it is the house itself
Commission	The fees charged by estate agents, usually calculated as a percentage of the final selling price of the property; this is known as the rate of commission
Compensation	Something, typically money, awarded to someone for loss, injury, or suffering
Completion	The final stage of the sale when the ownership changes hands from the seller to the buyer

Completion day	The day when all money is transferred and the buyer has access to the property
Contents insurance	Insurance against damage to or theft of the contents of your house including furniture and furnishings, TV and audio, all electric goods and appliances, clothing and jewellery
Contract	A legal document showing an agreement between two people, in this case between the lender and the borrower or the seller and the buyer
Conveyancing	The process of transfering ownership from one person to another
Conveyancer (or Solicitor)	The professional required to carry out the legal work involved in the process of buying and selling property
Council Tax banding	A letter code indicating assessment of a property market value on a specific date. This is given for the administration of council tax bills and will affect how much you pay
County Court Judgements (CCJs)	Is an order made in a county court for a debt to be repaid in England and Wales
Credit rating	See **Credit score**

Appendix a – Glossary C - E

Credit score	A score given to a person based on their 'creditworthiness' (how big a risk there is for you managing to keep up with repayments), used to assess credit and loan applications; done through a credit agency
Credit reference agency	These are specialist companies that are used to check your credit rating or worthiness
Credit worthiness	See **Credit Score**
Current account mortgage	This combines your current account and your mortgage into one. You still make a monthly mortgage payment, but any savings or money paid in acts as an overpayment
Daily interest	The interest on a mortgage is calculated on a daily basis, so you only pay interest on what you actually owe
Debt consolidation	To add your debts together to help in paying them off. It may be possible to increase your mortgage to pay off debts, but it's best to seek advice before doing this. You need to think very carefully before securing other debts against your home as your home may be repossessed if you do not keep up repayments on your mortgage
Decision in principle	See **Agreement in Principle**

Deposit	The money you put in upfront towards buying a house, usually at least 5% of the property cost, depending on how much money you have saved and the lender of the mortgage
Disposition	The Scottish legal term for the formal document transferring ownership or 'title' to land
Draught-proofing	The process of filling in unwanted gaps in a building to reduce heat loss and save energy
Early repayment charge (ERC)	An amount of money (a charge) you may have to pay a lender if you either move your mortgage to another lender during the special deal period or overpay by more than you are allowed within the agreed period
Endowment policy	A long-term savings policy (usually between 10 and 25 years), which can usually be used to repay the capital element of an interest-only mortgage at the end of the term
Energy Performance Certificate (EPC)	This certificate shows how much energy a building uses, and how energy efficient it is, looking at things such as insulation and electricity use. The certificate gives the building a rating from A to G, where A is the most and G is the least energy efficient
Equity	The difference between the value of the property, and what you owe as a mortgage

Appendix a – Glossary E - G

Equity release	Where you can borrow more on a mortgage against any increase in the value of your property
Evicted	To force someone to move out of a property by legal means
Evidence of title	Legal proof of land ownership, normally in the form of a deed
Exchange of contracts	The swapping of contracts between the seller and the buyer usually carried out by their solicitors and, once exchanged, it's a legally binding agreement
Exit fees (also known as redemption charges)	Charged by some lenders when you pay off your mortgage early
Expenditure	The amount of money spent on goods and services
Extended tie-in	Some lenders specify a set time beyond a mortgage's special deal period, during which you will be charged if you pay off or move your mortgage
False economy	An action that saves you money in the beginning but which in the longer term results in being more costly
Financial Services Authority (FSA)	An independent non-governmental body that regulates the financial services industry in the UK (www.fsa.gov.uk)

First Buy	Only for First Time Buyers and new-build properties. Unlike with shared ownership, in First Buy shared equity the first time buyer owns the property, with as little as a 5% deposit. A shared equity mortgage covers 75-80% of the property and a 15-20% shared equity loan covers the rest of the deposit.
Fixed Rate mortgage	A type of mortgage where the rate of interest stays fixed for an agreed period of time (2, 5, 10 years or longer) allowing monthly payments to remain the same throughout
Freehold	Where the sale includes the property and the land on which the property is built, and you have complete ownership of both for an unlimited time
Freeholder	A person who owns a freehold building or land estate
FSA Register	A list of firms, advisors, etc that are regulated by the FSA, which means they meet certain standards and give information that you can trust
Gazumping	When the seller accepts a buyers offer and then later rejects it, to accept a higher offer from another buyer
Gazundering	This is when a buyer who has agreed to pay a certain amount for a property, then tries to reduce the price they will pay at a crucial point in the selling process

Appendix a – Glossary

G - I

Ground rent	The amount of money a leaseholder has to pay to the freehold owner as a condition of taking a lease; usually paid on an annual basis
Guarantor	A person who guarantees you will pay the mortgage repayments. If you don't pay they are liable to have to pay them themselves. Often parents or relatives are guarantors for first time home buyers to help them to afford a property
Guarantor mortgage	A type of mortgage where a guarantor ensures the lender receives the mortgage payment each month, by paying the mortgage if the borrower is unable to. This does not necessarily need to mean jointly owning the property
HomeBuy Direct	A Government initiative to help eligible applicants in England to buy their first home. Entitles applicants to a loan of 30% the cost of the property (called an 'equity loan'), which must be paid back when the property is sold
HomeBuyers Report	A report on the condition of the property showing the value of the property, any major faults and estimated costs to fix; though it does not include any detailed, or minor issues
Home Condition Report	Information about the physical condition of a property, done by a certified Home Inspector; this is helpful for the buyer, seller and lender. A Home Condition Report usually forms part of the Home Report

Home Contents form	Contains details of a property's fixture and fittings (e.g. curtains, carpets, kitchen appliances) which the seller is including, excluding or willing to negotiate over in the sale
Home Report	An information pack, prepared by the seller containing key information about the property (a requirement in Scotland)
Home reversion loan	Where you sell your home, or part of it, to a company in exchange for a cash lump sum, a regular income or both
House swapping	Where two home owners, that want to live in different homes or locations, trade homes
Housing Associations	Independent not-for-profit organisations that provide affordable homes (for rent or to purchase) for people in need
Income	The amount of money you earn or you receive in gifts
Income multiples	The number by which your income can be/ is multiplied, so a lender can decide how much you can borrow
Income protection	This insurance can give regular monthly income if you can't work because of an accident or illness
Independent Financial Advisor (IFA)	A person who gives independent, unbiased advice on a range of financial products (including mortgages), acting in the best interest of the client

Appendix a – Glossary

I - L

Individual Savings Account (ISA)	A tax-free savings account, where the interest earned does not need to be declared on the savers tax return.
Inflation	An increase in the general level of prices
Interest	The amount of money that is charged on money borrowed
Interest only mortgage	A type of mortgage where each month you only pay the interest on what you have borrowed. It usually means lower monthly payments, but at the end of the agreed mortgage term you still owe the entire amount borrowed
Interest rate	Tells you how much interest you are charged on your mortgage loan, expressed as a percentage
Insurance	Compensation for specified loss, damage, illness or death, in return for a premium
Investment	Putting money or capital into something, with the hope that you will get a profit out of it at a later date; for instance you invest in property so that when you sell your home you hopefully get more than what you bought it for. But remember, house prices can move up or down so this might not necessarily be the case
Joint agency	Where two estate agencies market a home and share the commission regardless of which actually finds the buyer

Joint application	When two or more people apply for a mortgage together (e.g. a couple)
Joint mortgage	When a lender buys a property with someone else (e.g. parents or a partner), usually for financial reasons, in which case the property would be jointly owned
Kerb appeal	The attractiveness of a home to potential buyers when viewed from the road
Key Facts Illustration (KFI)	This sets out details of the mortgage product that a customer is interested in. All mortgage sellers are required to set out the details in a Key Facts Illustration in the same format, so it's easier for you to compare different mortgage deals
Land registration fees	Fees paid to the Land Registry, for instance when ownership of land is transferred
Land Registry	A Government department that records registered land in the UK (or ownership), along with details of that land such as mortgages or sales
Lease	A contract that conveys land from one person to another for a specified period (e.g. 99 years), usually in return for rent

Appendix a – Glossary

L - M

Leasehold	Means you own a property (possess it), for an agreed number of years, (as set out in the lease) but once the lease expires or finishes, the property belongs to the freeholder; leases can be extended but this often means an increase in charges
Leaseholder	A person who has possession of a leasehold property; a tenant under a lease
Lender	The mortgage company or financial institution (such as a Building Society) that loans you the money i.e. gives you a mortgage
Lending decision	See **Agreement in Principle**
Length of term	The time period over which you choose to take out your mortgage loan
Liabilities	These are the debts you owe to creditors, which may include your mortgage, car loan, credit card debt, etc.
Life assurance	Also called life insurance, it is a type of insurance that can give cash to your next of kin, if you die or become terminally ill
Lifetime mortgage	A way for older homeowners to release value from their property as a lump sum or as a regular income

Loan to Value (LTV)	The amount of money you have borrowed/want to borrow expressed as a percentage of your property value. For example, if you borrow £90,000 on a property worth £100,000, your loan to value will be 90%
Local Authority Search	When solicitors carry out searches with the local authority to check for any likely rights of way, or changes or developments etc are due in the area that might affect the property you are buying
Mortgage	Simply, it means a loan. It's an agreement to borrow money in order to buy a property, with the property belonging to the lender until all the money has been repaid by the borrower. Once the money is fully repaid, the property then belongs to the borrower
Mortgage Advisor	A person who gives advice and recommendations on mortgages (usually from their own companies). Always make sure they are FSA registered
Mortgage Payment Protection Insurance (MPPI)	This insurance can cover your mortgage payments if you can't work because you've become unemployed, or can't work because of an accident or illness. But this type of insurance has many exclusions, so make sure you check for instance how long it will cover your payments for

Appendix a – Glossary

M - P

Mortgage term	The agreed length of time for your mortgage, within which you have to pay back all the borrowed money and interest
Multiple agency	Where several estate agencies market a home and only the one that sells it gets paid the commission
Negative equity	This is usually when house prices fall and the value of the property is less than the amount you owe as mortgage
New Buy Direct	Where you buy a share of a newly built property and pay rent on the remainder
NHBC Guarantee	The National House-Building Council is the standard setting body and leading warranty provider for new homes in the UK. They provide new home buyers with a 10 year warranty and insurance policy, paid for by the builder
Notice of default	Legal notice given by the mortgage lender detailing a payment default (missed payments) by the borrower. This notice will also contain details of the steps the borrower must take to pay this off and by what date, otherwise it may be taken over by the lender (see **Claim for possession**)
Noting an interest	Where you let the seller's Solicitor or estate agent know you are interested in buying a property. If two or more people 'note an interest' a closing date is fixed and sealed 'offers' are made by all those interested

Offset mortgage	A type of mortgage that allows you to save on the interest you will pay on your mortgage debt by 'offsetting' any savings you (or perhaps family/friends) have linked to your mortgage. For example if you have a mortgage of £120,000 and put savings of £20,000 with your lender, in this type of mortgage you would only pay interest on £100,000
Overall cost for comparison	See **Annual Percentage Rate (APR)**
Overpayments	When you pay more than the minimum (or agreed) monthly payment. This builds up as a reserve and depending on your mortgage and lender, can allow you to save money on interest, pay off your mortgage earlier, make an underpayment in the future or even take a payment holiday (see **Payment holiday**)
Part and part mortgage	Where you chose to split your loan so that you repay part of it on an interest-only basis and part of it on a repayment (capital and interest) basis each month
Part-exchange	See **house swapping**
Payment break	See **payment holiday**

Appendix a – Glossary

P - R

Payment holiday	Available with some mortgages, this is an agreed period of time when you don't have to make any mortgage repayments; for instance because of a previous overpayment
Planning permissions	Written permission from a local authority permitting development of a house, extension or certain renovations
Portable	A feature of a mortgage which means it can be transferred from one property to another
Predicted Energy Assessment (PEA)	This is the energy certificate used by property developers of new build homes before they are complete
Product fee	A fee charged on some mortgages to secure a particular mortgage deal. Also known as a reservation fee
Property auction	The sale of a property by auction, where it goes to the highest bidder; in some cases the property is not sold if the minimum selling price has not been reached. Auctions can be in person, by phone or online
Property Information Questionnaire (PIQ)	Contains information on things such as parking, council tax bands, property access and utility suppliers

Purchase price	The amount or cost of the property you are buying or purchasing – it may differ from the initial asking price if you have negotiated!
Redemption charges	See **exit fees**
Redemption quote	Is issued by an existing lender to show exactly the total amount needed to pay off your current mortgage
Redundancy	A situation in which someone must leave their job because they are no longer needed
Release of funds	When a lender moves the funds required when purchasing a house. There is usually a charge for the electronic transfer of this money
Remortgage	When you move your mortgage to another lender (adding to or replacing your existing mortgage) without moving home. Usually people remortgage to save money by taking a better deal with another lender, and sometimes also to get cash for (e.g.) an extension, car or other purchase
Rent to Buy	Allows you to rent with a view to buying at a future time at an agreed price, protecting you if property prices rise drastically

Appendix a – Glossary R - S

Rent-a-room scheme	The government currently allow homeowners to earn a certain amount of money a year, which is tax free, by renting out a room in their home
Repayment mortgage	Each month you pay off part of the 'capital' (amount borrowed) as well as interest. This usually means that everything, capital and interest, will have been fully paid off by the end of the agreed term of the mortgage
Repayment term	The period of time over which you choose to repay your repayment mortgage (capital and interest)
Repossessed	A property is 'taken back' by the lender if the borrower fails to make the repayments. The properties are then sold so the lender can get their money back; usually a last resort for the lender – always let them know as soon as possible if you are struggling with repayments
Sale statement	Contains basic information about the property such as the full address, if it is a house or flat, whether it is freehold or leasehold, registered or unregistered land and sellers details
Searches	An investigation or 'search' of the local area to see if there are proposed plans or problems in the area that you should be aware of. Some searches are required, while others will depend on the property type and location

Secured/ Security	A guarantee of a payment on your mortgage. If you fall behind with payments or cannot repay your loan your lender has security of your home and can sell it to get its money back
Seller	(Also called **vendor)** The present owner of the property who wants to sell it
Shared Equity	A form of affordable housing to help people (e.g. first time buyers) get on the property ladder. It is similar to shared ownership, but generally, with shared equity you purchase all of a property, with an equity share loan making up the difference between the mortgage and purchase price. The equity loan is always paid back as a percentage of what your home is worth, which means the amount you owe will rise and fall with the value of your home
Shared ownership	Similar to shared equity, but with shared ownership you own a 'share' in a property with another party – usually a Housing Association and you pay rent to them for their share of the property
Show homes	Newly built houses that are decorated and furnished for prospective buyers to view

Appendix a – Glossary S - S

Single Survey	This is required in Scotland and contains an assessment by a surveyor of the condition of the home, a valuation and an accessibility audit for people with particular needs
Sole agency	Where an estate agent has exclusive right to market a home but no commission is due if you find your own buyer
Sole selling	Where an estate agent has exclusive right to market a home and the commission will still be due even if you find a buyer yourself
Special deal period	The time period during which the 'deal' you have selected applies (i.e. usually a fixed or tracker rate), before you move onto the lender's Standard Variable Rate (SVR). Most lenders offer a choice of deal periods, e.g. 2, 3, 4 or 5 years etc
Staircasing	A process used in shared ownership home buy schemes that allow you to increase your 'share' in a property as your financial situation improves, eventually to 100% of the property
Stamp Duty Land Tax	The one-off tax you would need to pay the Government for your property if it's over a certain value. Currently the rate is 1% on properties over £125,001 but less than £250,000, 3% on properties between £250,001 and £500,000 and 4 to 5% on properties over £500,001. First time home buyers do not pay Stamp Duty if their property value is less than £250,000

Standard Variable Rate (SVR)	This is a variable rate that is set by the lender, and is usually the rate you move onto at the end of your special deal period
Structural Survey	A comprehensive, survey of all parts of the property detailing faults (major and minor), estimated costs to repair and if any further reports are needed; does not give you the value of the property
Subject to Contract	The agreement to go ahead with the purchase or sale of the property depending on the final contracts being signed by the seller and the buyer; at this stage either side can still 'pull out' of the deal
Sustainability	Living in a way that minimises the cost to the environment
Survey	An inspection of the property by a qualified surveyor carried out before buying a property (for example a **Home Buyers Report** or **Structural Survey** also known as 'building survey'. See also **Surveyor** and **Valuation**)
Surveyor	The professional who carries out the valuation or survey of a property by checking the house for faults, etc; qualified by the Royal Institute of Chartered Surveyors (RICS)
Surveyor's Report	A report by a qualified surveyor detailing the results of a property inspection

Appendix a – Glossary

T - V

Tenants in common	When you jointly own the property, but you own a share of the value, which you can give away or sell, or leave to someone else if you die
Title Deeds	The documents held at the Land Registry that prove legal ownership of a property and all other dealings with that land; England and Wales, Scotland and Northern Ireland all have their own Land Registries
Tracker mortgage	A tracker mortgage is a variable mortgage that tracks (is linked to) the Bank of England's Base Rate by a set percentage. This means that your payments move up and down in line with any changes to the Bank of England Base Rate
Transfer deed	A legal document transferring ownership of land, for instance from the seller to the buyer
Under-payments	When you pay less than the agreed or minimum mortgage payment. Usually only allowed once you have built up a reserve through overpayments
Unsecured debt	An amount of money borrowed without any property or goods used as security against it

Utilities	The public services we need everyday such as water, gas and electricity
Valuation	The inspection that checks the value of a house to see how much it is worth, for instance to see if it is worth the asking price, usually conducted by a surveyor. Also used by lenders to decide how much money they are willing to lend you (also called land valuation or real estate appraisal)
Valuation fee	(Also called valuation cost) The charge for a report detailing the value of a property. Usually the fee increases with the value of the property
Valuer	The person who checks the property and values it by comparing similar properties at that time in the area and also by checking the property for faults, etc, usually done by a qualified surveyor (see **Surveyor**)
Variable Rate mortgage	A type of mortgage where payments can move up or down dependant on the movement of the interest rates of the mortgage lender
Vendor	Another word for the person selling the property

Appendix b – Useful contacts

There are many things to think about when buying, selling or remortgaging your home and you may not have all the answers! We have compiled this list of useful places you can go to for questions and advice.

Nationwide

- **Main site**
  www.nationwide.co.uk
- **Nationwide Education**
  www.nationwideeducation.co.uk
- **Money Worries**
  www.nationwide.co.uk/money_worries
- **House Price Index**
  www.nationwide.co.uk/hpi/
- **Cost of moving Calculator**
  www.nationwide.co.uk/mortgages/calculators
  cost-of-moving-home-calculator.htm
- **Mortgage Payment Calculator**
  www.nationwide.co.uk/mortgages/
  calculatorsmortgagerepayments.htm
- **How much can you borrow**
  www.nationwide.co.uk/mortgages/
  calculatorshowmuchborrowafford.htm

Mortgage Advice

- **Which?**
  www.which.co.uk/lendersrated

Online Citizens Advice Bureau service

- **Citizens Advice Bureau Advice guide**
  www.adviceguide.org.uk/

Find your local Citizens Advice Bureau

- **For England & Wales**
  www.citizensadvice.org.uk
- **For Northern Ireland**
  www.citizensadvice.co.uk
- **For Scotland**
  www.cas.org.uk

For mortgage advice

- **Money Saving Expert**
  http://www.moneysavingexpert.com/
  mortgages
- **Financial Ombudsman Service**
  www.financial-ombudsman.org.uk

For money advice

- **Money Advice Service**
  www.moneyadviceservice.org.uk/yourmoney
- **Money Advice Scotland**
  www.moneyadvicescotland.org.uk

For general leaflets

- **British Bankers' Association (BBA)**
  www.bba.org.uk
- **Building Societies Association (BSA)**
  www.bsa.org.uk
- **Find an adviser**
  Association of Independent Financial Advisers
  www.aifa.net
- **Association of Mortgage Intermediaries**
  www.a-m-i.org.uk

Appendix b – Useful contacts

Solicitors & Conveyancers

To find a solicitor in England and Wales

- **The Law Society (England & Wales)**
  www.lawsociety.org.uk

To find a solicitor in Northern Ireland

- **The Law Society of Northern Ireland**
  www.lawsoc-ni.org

To find a solicitor in Scotland

- **The Law Society of Scotland**
  www.lawscot.org.uk

To find a licensed Conveyancer

- **The Council for Licensed Conveyancers (CLC)**
  www.conveyancer.org.uk
- **The Conveyancing Association**
  http://www.theconveyancingassociation.co.uk

Buying or Selling a Home

For information on mortgages

- **Council of Mortgage Lenders**
  www.cml.org.uk/cml/consumers

For details of Energy Performance Certificates

- **Energy Performance Certificate Register**
  https://www.epcregister.com

For details about Home Reports (Scotland)

- **Home Report Scotland**
  www.homereportscotland.co.uk

For details about Stamp Duty

- **HM Revenue & Customs**
  www.hmrc.gov.uk/sdlt

Estate Agents

- **National Association of Estate Agents**
  www.naea.co.uk
- **Guild of Professional Estate Agents**
  www.guildproperty.co.uk

Property Search Websites

- **Right Move**
  www.rightmove.co.uk
- **Prime Location**
  www.primelocation.com
- **Find a Property**
  www.findaproperty.com
- **Zoopla**
  www.zoopla.co.uk
- **Tepilo**
  www.tepilo.com
- **Globrix**
  www.globrix.com
- **Home.co.uk**
  www.home.co.uk
- **Up My Street**
  www.upmystreet.com

Appendix b – Useful contacts

Surveyors

- **The Royal Institution of Chartered Surveyors**
  www.ricsfirms.com
  www.surveyline.com
- **Independent Surveyors Association**
  www.surveyorsweb.co.uk

Land Registry

- **HM Land Registry**
  www.landreg.gov.uk
- **Registers of Scotland**
  https://www.eservices.ros.gov.uk
- **Land Registers of Northern Ireland**
  www.irelandlandregistry.co.uk

House Prices

- **Land Registry House Price Index**
  www.landreg.gov.uk/house-prices
- **Registers of Scotland: Scottishhouse prices**
  www.ros.gov.uk/
- **House Price Index**
  www.nationwide.co.uk/hpi/
- **RICS housing market survey**
  www.rics.org/housingmarketsurvey

Research Locations

- **Office for National Statistics**
  http://neighbourhood.statistics.gov.uk
- **Council Tax bandings**
  for England and Wales
  www.voa.gov.uk
  for Scotland
  www.saa.gov.uk
- **Public transport links**
  www.traveline.info
- **Crime levels**
  www.Police.uk
- **Local NHS services**
  www.nhs.uk/servicedirectories
- **Environmental, flood and pollution risks**
  http://www.environment-agency.gov.uk/homeandleisure/37793.aspx
- **School reports**
  www.ofsted.gov.uk
- **Moblie phone masts**
  www.sitefinder.ofcom.org.uk
- **Air quality**
  http://uk-air.defra.gov.uk
- **Road developments**
  www.highways.gov.uk/roads

Appendix b – Useful contacts

Credit Reference Agencies

- **Callcredit**
  www.callcreditcheck.co.uk
- **Equifax**
  www.equifax.co.uk
- **Experian**
  www.experian.co.uk

Removals

- **The British Association of Removers**
  www.bar.co.uk
- **The National Guild of Removers and Storers**
  www.ngrs.co.uk

Insurance

Find an insurance broker

- **British Insurance Brokers Association (BIBA)**
  www.biba.org.uk

For an insurance broker who is an IIB member

- **The Institute of Insurance Brokers (IIB)**
  www.iib-uk.com

For factsheets and information on insurance

- **ABI Information zone**
  www.abi.org.uk

Debt Help

Free impartial debt advice

- **National Debtline**
  www.nationaldebtline.co.uk
- **Consumer Credit Counselling Service**
  www.cccs.co.uk
- **Payplan**
  www.payplan.com
- **Debt Advice Foundation**
  www.debtadvicefoundation.org
- **Citizens Advice Bureau Advice Guide**
  www.adviceguide.org.uk
  www.citizensadvice.org.uk

For housing debt advice

- **Shelter**
  www.shelter.org.uk
- **Housing Debt Helpline Wales**
  www.housing-debt-helpline-wales.org