Viewpoint

Exley Financial Planning

Why you should get mortgage advice

My journey as a first time buyer

Standard Variable Rate



Why you should get mortgage advice

Taking out a mortgage could be one of the biggest financial decisions you'll need to make in life, so it's important to get it right.

You could 'go direct' to find the right mortgage for your circumstances – as long as you're prepared to spend time and effort scouring a very competitive market for the lender and deal you feel most comfortable with.

You'll also need to consider things like lender administration and booking fees, the length and type of mortgage you need, valuation costs and repayment methods, all of which can affect the total cost of your loan. And you'll need to take out insurance; for buildings and contents and to protect your mortgage payments if you have to stop work.

Lenders will, of course, be able to give you guidance on any mortgages they offer, but you won't necessarily know how their deals compare to other deals on the market.

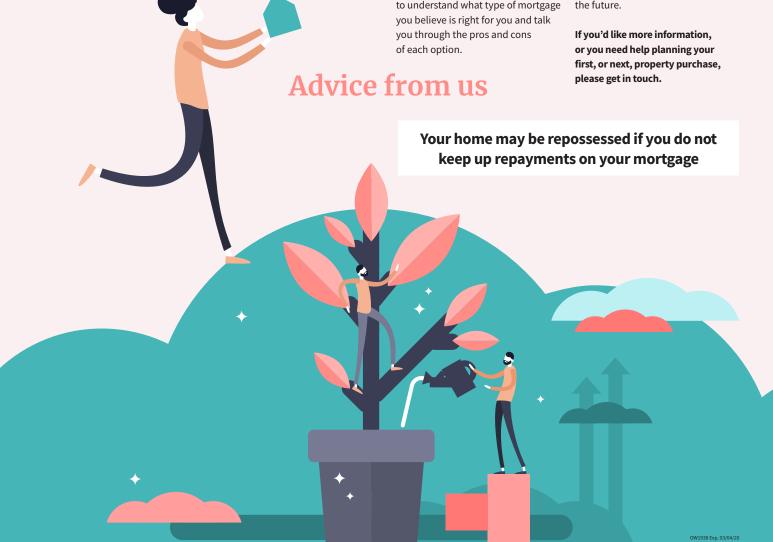
Advice from your lender

Unlike lenders, we don't have a vested interest. In fact, as part of Openwork, one of the UK's largest financial adviser networks, we can access competitive rates from most of the UK's best-known lenders, many of which aren't available on the high street.

What's more, we will take the time to get to know you, your circumstances, and your overall financial position. We'll also want to understand what type of mortgage you believe is right for you and talk you through the pros and cons of each option.

Using our expert knowledge and database of several thousand mortgages, we will find the ones most suitable for your needs.

We'll work with you to complete the relevant paperwork and liaise on your behalf with solicitors, valuers and surveyors. We can also talk you through the features and benefits of financial protection for your new property and we'll stay in touch throughout the process – and into the future.





Standard Variable Rate

The average homeowner moving from a specific mortgage deal onto their mortgage provider's Standard Variable Rate (SVR) could save more than £2,500 a year in interest payments simply by remortgaging.

SVR is the type of mortgage you're most likely to revert to at the end of an introductory, fixed rate, discount or tracker deal. The rate you pay on SVR is set by your mortgage lender and doesn't track the Bank of England Base Rate, which means you might not benefit from interest rate cuts and you could be exposed to interest rate rises. SVRs don't come with the security of a fixed rate deal and your mortgage lender could choose to increase your rate at any time.

SVRs can also be quite expensive; on average those on SVRs pay an extra £211 a month compared to homeowners on a mortgage deal. This rises to as much as £727 a month in London, where house prices are significantly higher than the average.

On the plus side, SVRs can represent good value when interest rates are low and there are no exit fees. Even so, with a potentially sizeable saving to be made by remortgaging, it's a wonder that around two million borrowers seem happy to stick with their SVR. Why?

Time to remortgage?

It's important to regularly review your mortgage, as it can often make sense to transfer to a new deal - or even a different lender. Your decision to transfer will of course depend on your individual circumstances and the current rate you are paying. If your lender plans to increase its SVR, moving onto a new mortgage deal could save you money.

To discuss your remortgaging options, please get in touch.

"I can't be bothered with the hassle of looking for a new deal"

Fair enough, but that's the point of a mortgage adviser. We're here to help take the effort out of finding the right deal that could free up money for you to spend on more pleasurable things.

"I hadn't realised my mortgage deal was ending"

OK... but your lender should have notified you. If we arrange your mortgage that's something you could rely on us to do.
Alternatively, remember to add the end date into your calendar when you've taken a new mortgage deal.

We know that not all lenders go in for Plain English but it pays to pick up the phone if they're writing to you with something as important as your mortgage.

"I did get a letter but didn't really understand what the lender was telling me"

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