

Viewpoint

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.

If you'd like more information, or you need help planning your first, or next, property purchase, please get in touch.

Advice from us

Your home may be repossessed if you do not keep up repayments on your mortgage



My journey as a first-time buyer

Being a First Time Buyer was daunting to start with, but once I got in touch with an Openwork Adviser, they settled all my nerves and made the process of buying a place to call home incredibly easy.

The big decision

Before I could look at houses and house prices, I needed to know what I could afford and how big or small my mortgage and the monthly payments would be. Due to my low income and the fact I am single, it was a struggle to find a suitable property within my budget, so I was recommended to look at the Help to Buy Shared Ownership scheme.

Shared Ownership allowed me to look at good quality pre-owned properties at a good price; I would own 40 per cent and a housing organisation would own the remaining 60 per cent. There were quite a few properties I liked and once I'd viewed them and found the one best suited for me, I sat back down with my adviser and we discussed putting through the mortgage application.

After some waiting, we had the good news that the application was approved. We started to liaise with the solicitors about purchasing the property. This part of the process was long and full of paperwork – a lot of which I didn't understand – but with the help of my adviser, I was able to complete it and get the purchase submitted.

The final step in the process was to receive the best news yet – confirmation of purchase. I was now the owner of a place I could call my own, all that was left to do was to collect the keys and move in.

Protecting my new home

When it came to protection, even though I have no dependants I wanted to make sure my income would be protected if for some reason I couldn't work. The last thing I would want to risk was the roof over my head that I had worked so hard to find! Discussing the different protection options available with my adviser was very helpful to understand which option would suit my needs and my budget. The policy I went for had the relevant benefits I need as well as being affordable each month.

Overall, I believe by using a financial adviser, I was able to relax knowing that someone was taking care of everything for me, if there were any issues they'd let me know straightaway. I think if I had gone through this alone I would have really struggled.



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"

Exley Financial Planning

Ty Mwent
Monkswood
Usk
Monmouthshire
NP15 1QE

01291 671075
enquiries@exleyfinancialplanning.co.uk
www.exleyfinancialplanning.co.uk

