

REMORTGAGE: GUIDE

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REMORTGAGE

Most new mortgages come with an initial offer or incentive period, typically for the first 2, 3 or 5 years. For example, when you bought your home, you may have taken a 25 year mortgage, which was 'fixed' for the first 2 years. After this incentive period ends, it's recommended to consider remortgaging. This is because the incentive has expired and typically your mortgage will revert to a less favourable standard rate which is often much higher than the fixed rate which has just expired. At this time you usually have a few options. Your current lender will usually offer you another incentive rate, for example another 2, 3 or 5 year fixed rate. But you can also consider switching to a new lender who might be offering an even better deal. You can also use this time to adjust your mortgage term and make other changes depending on your lifestyle. For example if you plan to sell or relocate, then fixing in for another 5 years might not be the best thing to do. For all these reasons we recommend speaking to an adviser first, before committing to a new deal, to consider all your options.

USING AN INDEPENDENT MORTGAGE BROKER

Around 87% of all mortgages in the UK are arranged by independent mortgage brokers. We have access to the widest selection of mortgage lenders and can provide advice and recommendation. We also take care of insurance and everything else you need. We are on hand from the start to guide you through the house buying journey and hold your hand every step of the way. Call us anytime and your adviser is ready to help at every stage.





REMORTGAGE OPTIONS

What are the options when remortgaging? You have more than you might think, but below we have covered off the major points. Our advisers can discuss all the considerations in more detail, but worth noting if you are planning to sell your home, relocate, change job then you should seek advice before accepting the first deal offered by your current lender.

1/SWITCH LENDER. A new bank or lender may offer you a better deal, This usually means lower interest rate and/or lower fees. This could mean lower monthly payments. The new lender may offer more features such as over-payments, porting or better online features.

2/CHANGE THE LENGTH OR TERM. Your original mortgage may have been arranged over 25 years and you may now be a few years into that term. You may want to increase your monthly payments and shorten the mortgage term to ensure its repaid sooner. Alternatively you may wish to length the term to reduce payments, although this usually means paying more interest.

3/BORROW MORE OR REDUCE THE MORTGAGE. You may now be considering home improvements, an extension or new kitchen. You could choose to borrow more on your mortgage to release cash for this work. This will be possible if your house has increased in value.

PROTECTION & INSURANCE

It is worth reviewing your protection plans when remortgage, especially when borrowing more money. Life can throw unexpected issues at you, and it is important to have protection in place. We can provide a range of insurances to ensure if ill health strikes or you cannot work, you keep your family in your home. Our team of experts can review your current arrangements during the remortgage process.

[Visit our website](#)



REMORTGAGE MADE EASY: Q&A

Will my lender offer me a new deal? Yes they are required under FCA rules to offer you a new mortgage deal. The process of staying with your current lender, is usually the most straight forward, but there may be better deals with other lenders. We can review and advise on all options.

Can I borrow more? Depending on the current size of your mortgage and value of your home, yes you could borrow more money for home improvements. This does require an affordability check to make sure you can comfortably meet the new payments.

Do I need a solicitor? No, in the vast majority of cases you do not need a solicitor. As you already own the home, there is no new legal work to be done.

Should I take a Fixed rate if I think interest rates will change? This is the million dollar question! Whilst we can give you a steer on what the market expects rates to do, global events (war, pandemic) can quickly change what happens with interest rates.



FIRST SELECT MORTGAGE BROKERS

We take pride in being friendly and professional mortgage advisers. We take the time to explain everything and hold your hand every step of the way. Your adviser is contactable from day one, until you get the keys to your new home!

[Visit our website](#)



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YOUR HOME OR OTHER PROPERTY CAN BE REPOSSESSED IF YOU FAIL TO KEEP UP REPAYMENTS ON YOUR MORTGAGE OR ANY OTHER LOAN SECURED AGAINST IT. MOST BUY TO LET MORTGAGES AND COMMERCIAL MORTGAGES ARE NOT REGULATED BY THE FINANCIAL CONDUCT AUTHORITY.