First Select Mortgage Brokers

Mortgages
Insurance
Protection

EVERYTHING YOU EVER WANTED TO ASK: GUIDE

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1/WHAT IS A MORTGAGE?

In simple terms, a mortgage is a loan. You borrow the money from a Bank or Building Society and you repay it back over a number of years, making repayments each month. That really is as simple as it gets. A mortgage must be used to purchase a house, as the Bank or Building Society will want a charge on the home until the mortgage is repaid. Typically a mortgage is repaid over a long time such as 10, 15 or 25 years. It is possible to review your mortgage during the term to decrease the term to pay it off quicker, make a lump-sum payment or even borrow more for home improvements. You can also switch lender and do not have to stay with the same lender.

2/HOW MUCH CAN I BORROW?

How much you can borrow is directly linked to how much you earn, and how much you have in committed expenditure each month. As a rule of thumb, you can borrow x4.5 your annual income, but if you have high commitments such as car finance, credit cards and loans, that can reduce the amount. Each lender assesses income differently and some lenders will lend you more than others. We have access to affordabilty calculators to confirm how much you can borrow.

www.firstselectmortgagebrokers.co.uk

WHY SHOULD I USE 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.

3/WHAT VALUE HOME CAN I PURCHASE?

Once you know roughly how much a mortgage lender is willing to lend using an affordability calculator, you then need to consider how much you have as a deposit. Adding those two numbers together, gives you a guide as to what value of home you can purchase. Most lenders need a minimum of 10% deposit. The bigger your deposit, the lower your interest rate on the mortgage and also the smaller your mortgage, the lower the monthly payments.

4/WHAT ARE THE COSTS OF A MORTGAGE & BUYING A HOME?

A mortgage has two main costs, a product fee and the interest rate. The product fee is usually a flat fee. This can be paid upfront or added to the loan. The fee can range from £0 - £1,495. The interest rate is an annual rate and this determines your monthly repayment amount. The lower the rate, the lower your monthly payments. Our job as your mortgage adviser is to arrange a mortgage that is affordable and comfortable to pay each month. You can usually choose to fix your interest rate for an initial period of 2, 3 or 5 years. This means your monthly repayments would stay the same for the duration of the fixed period. Other costs associated with with buying your home include legal fees, and these can range from £800 - £1,750. You may need to pay for a mortgage valuation, and this can range from £0 - £500 for the average value home. Our team will lay out all the costs for you so you have your eyes wide open as to all the costs from the start.

PROTECTION & INSURANCE

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 discuss life, critical illness and income protection policies to fit your budget, ensuring their is a safety net in place should the worst happen.

Visit our website

TYPES OF MORTGAGE

5/FIXED RATE OR TRACKER?

Fixed rate mortgages are popular because you fix your monthly payment for a period of 2, 3 or 5 years typically. This helps people to budget and plan their monthly commitments. However if you need to sell, move or plan to make a large over-payment on you mortgage, you incur fees or penalties during the fixed period. A tracker mortgage means the monthly payments could go up or down, but you may have more flexibility if you circumstances change.

6/WHICH LENDER IS BEST?

All Banks and Building Societies have their own unique approach to lending, so dont be surprised if your adviser recommends a lender you were not expecting. It will be because they offer the lowest cost mortgage for your situation. Mortgages can be complex and there can be a lot of variables to consider. The type of home, your salary, your credit score, your current commitments - all play a part in underwriting your application. Be open minded about which lender may actually be the right one for you.

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Quote this code at the time of your enquiry to get 50% off your advice fee. You must have downloaded this guide direct from our website. Terms & Conditions Apply.

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.

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