

# Re-mortgage Guide



Speak to us today to see how we can help...

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Your initial mortgage consultation is obligation free. There may be a fee for our mortgage service of £395 though in some circumstances this may be waived. Being independent we also offer a "fee only" option which is typically 1% of the amount borrowed and any commission derived from the lender is returned to you. The precise amount will depend on your circumstances and mortgage loan amount, and will be discussed and agreed on before you make a mortgage application.

**YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.**

# Re-Mortgage Guide

## Steps to re-mortgaging your home

1. We will go through your requirements and find the right re-mortgage product for you

2. All relevant documentation will be required (you may need proof of your income )

3. Your chosen lender will instruct a solicitor to act for you, they will have the full details of the property and the new loan required.

4. Once the valuation has taken place the report will arrive at the lender

5. After the checks have been made a formal offer letter of re-mortgage will be issued by either the new lender. Copies of which will go to all relevant parties.

6. The solicitor will carry out all his searches and will issue a questionnaire for you to complete

7. Once the questionnaire has been completed and returned to the Solicitor (at this point the Solicitor will need to see your Buildings and contents policy).

8. The solicitor will request a redemption statement from your current lender which will show the outstanding mortgage balance

9. Additional funds will be paid to you via the requested method of payment.

10. You are then ready for completion, the funds are transferred and your remortgage is complete.

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## Jargon Buster

**APR:** APR is the Annual Percentage Rate of the total charge for credit: this is the standard way of working out the true interest rate. All lenders are legally obliged to show the APR alongside quoted interest rates for each mortgage term, this enables you to accurately compare mortgages from different lenders to work out exactly how much you will repay on your loan each month.

**Bank of England Base Rate:** The Bank of England Base Rate determines how much other banks and building societies pay for the loans that they take out from the Bank of England. These base rates will in turn affect the interest rate paid for loans including the loan on your mortgage.

**Capital Repayment:** With a capital repayment mortgage, the capital and interest elements of the loan are paid off with each monthly instalment, with the balance reducing over the length of the loan term.

**Discount Rate:** A discounted rate mortgage offers you reduced repayments for a given term. This interest rate is discounted from the published lender standard variable rate, for an agreed period from the start of the mortgage. The standard rate can go up and down, but the discount amount remains fixed during the agreed period.

**Fixed Rate:** This is a mortgage rate where the interest rate is agreed at the start of the mortgage and will not change during the term of the fixed rate.

**Interest Charges:** These are the charges made on a loan, calculated as a percentage of the total amount that you borrowed on your mortgage.

**Interest Only:** An interest-only loan is a loan in which, the borrower pays only the interest on the principal balance, with the principal balance unchanged. If you do choose an interest only mortgage you are responsible for ensuring that you have sufficient funds available to repay your mortgage at the end of the term.

**Searches:** These are the enquiries made, usually by your solicitor, at the Land Registry, the Land Charges Register and Local Authorities to ensure there is nothing to cause concern about title to the land and the property you intend to buy.

**Tracker Mortgage:** This is a variable rate mortgage where the interest rate is linked directly to the Bank of England Base Rate. Therefore, when the Base Rate changes the rate on your tracker mortgage, changes by the same amount.

**Valuation:** This is an independent assessment of the value of a property carried out by an approved surveyor and paid for by you the customer. All lenders insist that a valuation is carried out on a property. The valuation is used by the bank or building society to decide how much they are willing to lend you.

**Variable Rate:** This rate can go down as well as up during the course of your mortgage and is usually based on The Bank of England Base Rate.