I will review all lenders to find the best rate for you, please ensure any human interactions with your during this application process do not charge you any fees.

By submitting the enquiry form you agree that the information provided is true and accurate and that we may send the details of this enquiry to an appropriate broker for the purpose of furthering your enquiry and that the broker may contact you for further information as required. There should be no fee for mortgage advice through our channels. We will not send, sell, loan or lease your data to any other third party except those needed to provide the service you have requested.

Please click the checkbox below to confirm that your data can be sent to a human mortgage advisor, you will also receive a copy of the conversation via your email address. No data will be saved on our servers.

Disclaimer: AI can give inaccurate answers to some questions so we cannot be held accountable for inaccuracies.

- How often do mortgage rates change?

Mortgage rates can stay the same for years or they can change often, depending on various factors and market conditions. Factors like the Bank of England Base Rate, the housing market and the state of the economy can affect mortgage rates. But if you have a fixed rate mortgage, your rate stays the same for the length of your deal.

If you've already applied for a mortgage, the rate offered you won't be affected by any changes to the mortgage range once the mortgage illustration has been accepted.

- What should I consider when comparing mortgage rates?

You should make sure you can afford to make your monthly payments, including interest. Consider the terms of the mortgage and the length of the product when and how much you'll have to pay, and whether there are any fees involved.

If you're considering a tracker mortgage, make sure you'll be able to afford any increases to your repayments if the rate changes.

- How can I get the best mortgage rate?

Mortgage interest rates are, essentially, how much it costs to borrow money from a lender to buy a property. The higher the interest rate, the higher your monthly mortgage payments are likely to be.

The type of mortgage you have will determine the type of interest you pay. Fixed-rate mortgages generally come with a higher interest rate, while a variable mortgage will usually be lower but have no guarantee of your interest rate staying at this rate. With an interest-only mortgage, your monthly payments only pay the interest earned on the amount you borrowed. You don't pay back any of the loan itself. The full loan must then be paid back at the end of the term.

- Are there government housing schemes in the UK?

Government schemes like Help to Buy or Shared Ownership are for first-time buyers under certain conditions. If you meet the criteria for using these schemes, you could get financial help with buying your first home

Mortgage guarantee scheme

You can apply for a first time buyer or home mover mortgage of up to 95% of the property's value under the Government's mortgage guarantee scheme.

If you're planning to put down a deposit of at least 5% but less than 10%, to qualify you'll need to be:

- a first-time buyer or home mover
- thinking about borrowing less than £570,000
- buying a property that's not a new build flat, Shared Ownership, Shared Equity, Right to Buy or buy to let
- applying for a qualifying mortgage by 30 June 2025 (however, the scheme may be withdrawn earlier) and complete on your mortgage by 31 December 2025
- applying for a mortgage with a loan to value (LTV) of more than 90% and less than, or equal to 95%.
- thinking about getting a repayment mortgage and not interest only.

Lending is subject to an affordability assessment, credit score and a full mortgage application. You can apply for a mortgage under the scheme by following our usual application process.

Shared ownership mortgages allow you to buy a share of the property, instead of buying the whole property. You'll pay a mortgage on your share then pay rent on the rest.

For example, if you bought a 50% share of a property at £100,000 then you would pay rent on the remaining £50,000.

When you part-buy, part-rent a home through shared ownership, you can apply for a smaller mortgage – so your deposit could be lower too.

Agreement in Principle (AIP)

An Agreement in Principle confirms how much you could be eligible to borrow, before you apply for a mortgage.

- Show estate agents you're ready to make an offer on your first home.
- Having an AIP ready if you speak to a Mortgage and Protection Adviser could speed up your application.
- Applying for an AIP **has no impact on your credit score.**

Types of mortgage rates

You might find lenders offer different types of mortgage rates. Here are some of the main types you could be offered

Fixed rates

With a **fixed rate mortgage**, your interest rate stays the same for the length of your deal, which tends to be between 2 and 10 years.

This can provide peace of mind that your rate will stay the same. However, it does mean that if interest rates fall, you won't see the benefit.

Tracker rates

If you have a tracker mortgage, your rate can go up and down – usually in line with the Bank of England Base Rate.

This means that if the Base Rate goes up by 0.25%, your rate will go up by the same amount. On the other hand, if the Base Rate goes down, your rate will also drop by the same amount. This means your monthly repayments could change several times over the term of the rate.

Standard variable rate (SVR)

The SVR is a rate set by your mortgage lender. It's the rate you'll move onto when your current deal ends – if you don't take out a new deal, you'll stay on the SVR for the duration of your mortgage.

This is usually the most expensive type of rate, and your lender can decide to change it at any time – up or down. However, you can leave this rate at any time and select a different mortgage deal.

What do I need to have to hand when I call you for a mortgage interview?

To make things as straightforward as possible, it would be great if you have the following to hand for all applicants:

- Income details
  - If employed you will need:
    - Gross annual salary, bonus & overtime
  - If you are self-employed you will need:
    - Last 2 years net profit/directors salary
    - Latest month's business bank statement
- UK address history for the last 3 years
- Details of your bank statements will come in handy, but give these to the human mortgage advisor.
- Details of any credit commitments (including payments, balances and interest rates)
- Pension payments from your payslip

- **What fees will be charged as part of my mortgage application?**
- Check our mortgage product details to see what fees are applicable.
- There may be some other fees involved, including valuation fees, product fees and legal costs. We'll discuss this when you apply.
- Full details of any fees will also be in your Mortgage Illustration.

I have had bad credit in the past can I still apply?

We'll always do our best to help, but there are a few circumstances where we wouldn't be able to offer you a mortgage:

- If you have any CCJs, either declared or detected, whether satisfied or unsatisfied
- If you have ever been made bankrupt or had an IVA
- You have been party to a mortgage where the property has been taken into possession (including pending) either voluntarily or enforced
- If you have any defaulted account, either declared or detected, whether satisfied or unsatisfied
- Arrears are recent, recurring or likely to recur

How many people can apply for a mortgage?

Up to 4 people can apply for a mortgage with us.

What is the maximum age for a mortgage?

For a residential mortgage the term has to end before the customer(s) 76th birthday and for BTL mortgages before their 86th birthday.

What's the minimum term you can apply for on a mortgage?

The minimum term is 5 years.

What's the maximum term you can apply for on a mortgage?

The maximum term is 40 years for a residential mortgage and a Buy-to-Let (BTL) mortgage.

What employment and benefit income do you accept?

Employment and pensions

If it’s paid in pound sterling (£), we accept 100% of the following income:

- Gross basic salary
- Car allowance
- Pensions and annuities
- Pension tax credits
- Maternity income: learn more about applying on parental leave
- Agency, fixed term, and zero hours contract pay: if received for the last 2 years
- Car allowance
- Agency/fixed term employment/Zero Hours contract worker (as long as you have a 2 year track record of this income type)
- Second job income: if received for the last 12 months
- Large city weighting

We'll also accept 60% of the following income sources:

- Monthly commission and overtime
- Monthly, quarterly/half yearly and annual bonus
- Performance related pay
- Non-permanent shift allowance

Benefits and other income

Child benefits and maintenance payments:

- Child Tax Credits
- Child Benefit: providing nobody applying earns over £60,000 per year before tax
- Maintenance payments: must be awarded by court order, paid for the last 2 years, and set to continue for the entire mortgage term

All other benefits:

- Adult Disability Payment
- Carers Allowance
- Child Disability Payment
- Disability Living Allowance
- Disabled persons tax credits
- Housing Allowance

- Incapacity Benefit
- Independent Living Fund
- Personal Independence Payment (PIP)
- Reduced Earnings Allowance
- Universal Credit: providing any Housing Benefit is deducted, and at least one applicant earns a separate income
- War Disablement Pension
- Working and Family Tax Credit

I'm self employed – how do you calculate how much I can borrow?

If you're self-employed, we'll take an average of the last 2 years' net profit, as evidenced by:

- For limited companies:
    - The last two years' full accounts
    - A letter from your accountant
    - We may also require the latest month's business bank statement. We'll let you know if we need it.
- For sole traders and Partnerships:
    - Last two years' HMRC SA302's, along with corresponding tax year overviews
    - We may also require the latest month's business bank statement. We'll let you know if we need it.

Please note: We do not use dividends when assessing income for self-employed applicants.

If net profits are increasing, we'll take the average share of net profits over the past 2 years.

If the net profit is decreasing during that period, we'll use the lower figure, provided the business is on track to make the same or more profit in the next financial year.

For limited businesses, we can also include any director remunerations (salary).

What is your Buy-to-Let (BTL) application criteria?

The main criteria to be eligible for a BTL with us is:

- The maximum **loan to value** is 80% or 75% for BTL portfolio landlords
- Where personal income is used for affordability, we require a minimum personal income of £50,000 (excluding income received from BTL properties).
- The rental income must cover at least **145%** of the **mortgage** interest **payment**. This is known as the interest coverage ratio (ICR) and is calculated in one of the following ways:
    - Two and three year fixed products will be calculated at the product rate +2%, a nominal rate of 5.5% or the BTL Variable Rate, whichever is higher.
    - Five year fixed rate products and longer will be calculated at the product rate +1% or a nominal rate of 4.5%, whichever is higher.
- If there is a rental shortfall between 100% and 145%, we will consider your personal income to cover this. Personal income is not considered for BTL portfolio landlords, LTVs greater than 75%, or where the term extends beyond 75 years of age.

- If you're remortgaging a buy-to-let property and don't require additional borrowing, the rental income must cover at least 125% of the mortgage interest payments, stressed at the product rate +1% or a nominal rate of 5%, whichever is higher.
- We don't accept BTL applications for first time buyers. For joint applications, at least one applicant must have been an owner occupier for 6 months or more on the date of decision, and we may ask for evidence of this
- Letting to tenants in receipt of housing benefit is acceptable.
- For landlords with four or more mortgaged buy-to-let properties talk to a human advisor.
- There are three scenarios where we will consider a BTL mortgage for you where you are a non-homeowner (subject to maximum exposure of £3 million or five properties).
- Customer is in tied accommodation - We require documentary evidence from the employer to confirm the accommodation is contractual
- Customers are re-mortgaging an existing BTL property

When is my valuation booked?

Once your application has been returned and any applicable fees have been paid, your valuation will be instructed. We use a combination of Automated Valuations – a computer estimate based on previous sales prices and property value indices, Desktop Valuations and Physical Valuations. Where possible a nonphysical valuation will be utilised.

We expect this will be instructed, completed and returned to us in just 5 working days. However, if there are any time delays we will keep you informed throughout your application.

Can I still apply for a mortgage if I'm due to retire before it comes to an end?

That's fine, providing the mortgage term ends before your 76th birthday and for BTL mortgages before your 86th birthday.

If your mortgage terms extends to or beyond your 71st birthday or your planned retirement age, we'll need evidence of your pension arrangements to support the application. This will determine the loan amount we can offer you

I'm on parental leave; can I still apply for a mortgage?

The income we use to assess your application will depend on how long you have left before you return to work:

- If you're due to return to work within the next 3 months, we'll use your return-to-work salary. Please note, we'll need you to confirm in writing the date you will return to work and the salary you will receive.
- If you're off work for another 4-12 months, we'll still use your return-to-work salary, but we'll need evidence of how you're covering the shortfall in your income to pay the monthly mortgage payments (e.g. savings). We'll also need you to confirm your return-to-work date.
-
- **I'm looking for an interest only mortgage - what's the maximum loan to value (LTV) you can offer?**
- The maximum LTV for customers taking a mortgage on an interest only basis is 75% for residential mortgages and 80% for BTL mortgages (or 75% for BTL portfolio landlords).
- On a residential application we can go to a maximum of 85% on a part interest only and part repayment basis, as long as the interest only element does not exceed 75%.

- On a residential application if you're planning on selling another property to repay the mortgage this will restrict the loan to 65% LTV.
- Residential mortgages which exceed 85% must be taken on a full repayment basis.
- To take out a residential mortgage on an interest only or part and part basis, your total household income must be at least £75,000 (including 100% of additional income such as bonuses, overtime etc) and you must have a suitable repayment strategy in place.

What is a mortgage?

A mortgage is the loan that you take out which is secured against your property that enables you to purchase your home.

The mortgage lender has the option of taking possession of the property and selling it on if the mortgage repayments aren't made to try and recoup any losses it has suffered.

The lender will charge you 'interest' in return for lending you the money. Therefore, over the term of the mortgage you will need to pay the lender interest, and repay the amount you originally borrowed fully before the mortgage ends.

How much can I borrow?

Every lender will be different in their approach to what you can borrow and unfortunately there is no set calculation. The actual amount you're eligible to borrow will be determined by the cost of the property you wish to purchase, the size of deposit you have, your income and affordability (considering your monthly financial commitments and any future commitments). I will try to get as close to a summary as possible for you.

What is a remortgage?

This is simply swapping the mortgage you have on your current property for another mortgage with a different lender. You may consider this option if your existing mortgage deal has expired and you wanted to see if a more competitive deal was available. You could also consider this if your circumstances have changed and you want to borrow more. There are many reasons why you would remortgage but this does not involve moving home.

What is conveyancing?

Conveyancing refers to the legal work completed by the solicitor or conveyancer you choose when buying or selling a property. It's important to have either a conveyancer or a solicitor already lined up because as a buyer or a seller, you will need this in place to start and complete your transaction. Reeds Rains can help with your selection should you require some assistance.

How do I prove what income I have?

If you are employed, you will need to provide at least your last 3 months payslips as a guide and sometimes your P60.

If you are self employed, the easiest way to prove your income is via SA302s which can be obtained from HMRC. Alternatively at least 2 years' trading accounts may also be acceptable to lenders. Some lenders may have other requirements.

You will also be required to provide your bank statements for the last 3 months.

If you have any other form of income, eg tax credits, then written evidence from the provider will be required.

How long do I take my mortgage out for?

The answer to this is simply down to what you can afford. We would always advise speaking to mortgage adviser to ascertain what term is suitable to your circumstances.

How do I choose the most suitable mortgage for me?

One of the most difficult aspects of organising a mortgage is sorting through the hundreds of mortgage deals currently available. Different mortgage schemes will often cater for different needs. To establish what is suitable for you it is important to take into account your current circumstances as well as your priorities and long term plans.

Typically the list of fees could include:

Valuation fee – charged by the lender to value the property and generally paid up front with your application

Solicitors fees – charged by the solicitor to complete the conveyancing transactions on the property. Part of this is paid up front when the solicitors are instructed but the remainder is paid upon completion.

Stamp duty land tax – a tax levied by the government on any property purchase in England or Northern Ireland above £125,000

Land Transaction Tax - is a tax you're liable to pay when you buy a residential property, or a piece of land in Wales, costing more than £180,000 for your primary residence and more than £40,000 on any additional properties.

Land & Buildings Transactions Tax - is a tax you have to pay when you buy a residential property in Scotland over a certain price.

Lender arrangement fees – charged by the lender for arranging the loan. This can be added to the loan in most circumstances but will therefore increase the size of the loan.

Booking fee – charged by the lender for booking the funds for your mortgage and typically charged up front with your application

Broker fees – may be charged if you are using a broker and payable either up front or on completion

Do I have to repay my Mortgage by a certain age?

The answer to this is simply down to what you can afford, although in some cases it might be a lender's condition for the loan. We would advise speaking to a mortgage adviser to ascertain what term is suitable to your circumstances.

What is the difference between a Standard Variable Rate and a Tracker Rate?

Both of these rates are variable which means that they may change as the Bank of England changes the base rate. A standard variable rate is the lenders normal mortgage rate, ie does not include any discounts or deals. It tends to follow the Bank of England rate, but not exactly. A tracker mortgage is linked to a particular base rate, which it moves up and down with ('tracks'). Two of the most common rates that may be tracked are the Bank of England Base Rate, and LIBOR (London Interbank Offered Rate).

What is a Higher Lending Charge?

The higher lending charge, formerly known as a mortgage indemnity guarantee (MIG), is a fee charged by a mortgage lender where the amount borrowed exceeds a given percentage of the value of the property. This fee may be used by the lender to purchase an insurance policy designed to protect it (the mortgagee) against loss in the event of you defaulting and ceasing to repay your mortgage.

What is an Early Repayment Charge?

When you take out a mortgage with an initial deal on an e.g. fixed, tracker or discounted rate basis, should you repay the mortgage in full or part before the deal ends, you usually will have to pay an Early Repayment Charge which, in most cases, is charged as a percentage of the loan. Some mortgages will offer a 'portability' option which means that if you move house when you are still tied into your deal, you can 'port' the mortgage to the new property and avoid the Early Repayment Charge.

What if I want to rent out my property?

In the first instance you should seek permission from your Mortgage Lender. Your lender may increase the interest rate to reflect the change in risk. A mortgage adviser can provide you with advice on your mortgage and insurance options. Remember that you may also need to change the type of building insurance you hold on the property to ensure it is appropriate for this purpose.

What if I lose my job or I am having difficulty paying my mortgage?

The first and most important thing to do is contact your lender as soon as possible. Lenders are required to treat borrowers in this position "sympathetically and positively".

Some lenders also have telephone helplines and debt counselling facilities which may be able to help you.

Do I need insurances with my Mortgage?

Your mortgage lender will insist buildings insurance is in place as you move into your new home. Home insurance combines buildings and contents insurance to cover your most valuable asset. We would recommend that when you take out a large debt, you should also consider protecting it against the unthinkable like death, injury or long term illness.

If I do an Agreement in Principle (AIP) with this lender what will I do if a better product comes up before my application?

An AIP will tell you whether your credit score is good enough for your mortgage application to be accepted by them, and the level of borrowing they may be willing to consider. It does not oblige you to go to a particular lender any more than it obliges them to provide you with a mortgage offer but it does enable you to get an early indication of what value properties you can be looking at.

Is there a particular mortgage term I will be stuck with or do I have a choice about that?

The most important thing is affordability. If you have a stated budget we will recommend going up to that to keep the term short enough that you do not have to pay more interest than you should. If your payments would take you over your budget we will recommend a longer term as over time you will have various other options as the amount owed goes down, you owe less, earn more, or the LTV adjusts over time as well over paying options available on most mortgages. The important thing is to know that your obligations over a fixed period will remain and it may cost you to come out of such an arrangement, but you can revise your arrangements when you re-mortgage so the important thing is to keep your affordability manageable.

How much can I raise as a mortgage?

This would be based on income and expenditure which would need to be assessed with you based on payslips and bank statements.

When are fees payable and are they refundable?

Some fees may be payable on application and some when you complete on the property, and some may be refundable. At your appointment your adviser will go over all fees that could be payable and explain when they would be due and if they are refundable or not. Your adviser will always provide you with an illustration for any mortgage they talk to you about and this will show you the breakdown of any fees and when they are due.

How much deposit do I need?

Depending on circumstances we can look at mortgages from 10% deposit. Generally, the larger the deposit you can afford the cheaper the mortgage repayments.

Do I have to take out protection?

It’s not a legal requirement to take out mortgage protection insurance. However, it will protect your asset for the mortgage term and give you the peace of mind that your family would be able to remain in the property in the event of your death, or should you suffer a critical or long term illness.

Can I buy at auction with a mortgage?

Consideration prior to purchasing at Auction:

- Ensure mortgage approved in principle prior to bidding.
- Seek advice from a mortgage broker who access to lenders service standards for quick mortgage offers.
- Be aware that you will need to provide deposit at auction, not at mortgage completion.
- Obtain a copy of the property legal pack at earliest opportunity, prior to bidding.

- **Do I have to have a survey?**
- You have to have a valuation if you are buying with a mortgage but do not need to have a survey. However, in most situations it is advisable. Your adviser can explain about the different types of survey available.

- **What’s a repayment mortgage?**
- A repayment mortgage is where you pay the interest as well as the capital borrowed, so your mortgage balance is reduced every time you make a payment. In the early years you will pay mostly the interest and a little towards your capital but in the later years you pay more towards the capital.
-

- Mortgage brokers may charge in different ways, our advisors do not charge and are fee-free and earn a commission from the lender, usually around 0.35% to 0.4% of the loan amount.

- Others charge an upfront fee, typically around £500 or a percentage of the mortgage loan, such as 0.5% to 1%, while some have upfront fees and get commission.
- If you’ll be charged, ask how much and whether this will apply to future remortgages.

- Mortgage brokers can be helpful by checking any documents before you apply. It's a good idea to consider the cost of other fees, such as mortgage arrangement and valuation fees, which vary by lender.

- There are different types of mortgages with various pros and cons.

- For example, a repayment mortgage means you pay a monthly amount over an agreed period until the capital and interest are paid off.

- With an interest-only mortgage, you only pay off the interest each month and repay the capital at the end of the mortgage term.
- These aren't the only mortgages you can choose from.

- Your mortgage broker should be able to recommend the right one for you based on your circumstances and future plans.

- If you're looking for the most competitive deal, a whole of market broker can access all lenders and products in the market, while single-tied ones will only have access to one lender. We are a whole of market broker.

- The amount you'll need to save depends on how much your property is worth and the percentage of that value the mortgage provider is happy to lend (known as loan to value or LTV).
- If you're a first-time buyer, you can get up to 95% LTV, but if you have a bigger deposit, you'll likely be able to access more competitive deals.

- On top of the deposit, make sure you can also pay other fees, such as moving and legal costs.

- ## 6. How much can I borrow?

- While a deposit will help you buy your home, if your mortgage lender won't offer you enough, you won't be able to buy it.

- A mortgage broker will assess your circumstances, including your salary, monthly spending and credit history, to determine how much you'll be able to borrow.

- Generally, most lenders cap the amount you can borrow at around four and a half times your annual income, so it's important to understand this limit when planning your home purchase.
- You can also check how much you could afford to borrow using our free mortgage calculator
-

Questions to ask

How many buyers

Buyers annual income

Deposit amount saved

Mortgage term

Mortgage interest rate varies between 4.79% - 5.72% depending on the term of mortgage and deposit.