

MORTGAGE ARRANGEMENTS

Charles Royle and Company

What is happening...

In The Market Place

- March 09 base rate drop to 0.5%
- Tracker Rates may rise
- Fixed rates at their lowest level
- Tighter checks on affordability
- Remortgage rates at an all time low
- Mortgage approvals still falling

What is happening...

To House Prices

- House prices rose by 0.4% in October
- Annual change 0.8%
- Stamp duty now starts at £125,000
- CML warned increased difficulty in getting a mortgage
- House prices set to drop 5% in 2012

Why Remortgage

- Benefit from lower interest rates
- Consolidate loans
- Release equity
- Secure drawdown facility for future use

Mortgage Brain (sourcing system)

- Access to all UK lenders
- Daily updates
- Best rates – Fixed/Tracker/Flexible
- Over 2,500 schemes to choose from
- Scheme's tailor made for individual needs

Credit Scoring

- Experian
- Equifax

How Much Can I Borrow

(an example)

Income Based:

1st income £30K 2nd income £15K = joint income
£45,000

Subject to good credit score plus 25% deposit

Can still achieve between 4.5 to 5 times joint income
£225,000

Can be more by proving affordability by budget
planner

How Much Can I Borrow

(an example)

- Self Certification (no more)
- Fast track
- Minimum 25% deposit

Today's Rates

Headline Rates

	T	F
• 40% deposit –	1.99%	2.64%
• 25% deposit –	2.39%	2.75%
• 15% deposit –	3.49%	3.79%
• 10% deposit –	4.99%	4.99%

Today's Rates

Normal Variable:

- From 2.5% to 8%
- 4.79% eg Northern Rock

Fixed:

- 2 years from 2.65% £999 fee, 3.49% no fee or 5 years from 3.59% £995 fee
- Good for budgeting
- No extended tie-un

Tracker:

- 2 years from 1.99% (£999 fee)
- 2 years from 2.59% (no fee)
- Tracks Bank of England base rate
- Most cost effective over last 2-3 years
- No extended tie -in

Remortgage - Examples

Massive savings on normal rates – Capital & Interest

Normal rate 4.79% £100,000 x 25 years

Northern Rock Cost £575.00pm

Tracker rate 1.99% £100,000 x 25 years

TMW Cost £423.00pm

Fixed rate 2.65% £100,000 x 25 years

Woolwich Cost £455.00pm

Existing 6% fixed rate £100,000 x 25 years £650.00pm

- Savings over £152pm or £1,824pa
- Could speed up repaying your mortgage
- Could offset endowment shortfall

25 YEAR REPAYMENT MORTGAGE

Pay Rate	£100K	£75K	£50K
6.5%	£675	£506	£337
6%	£644	£483	£322
5.5%	£614	£461	£307
5. %	£585	£438	£292
4.5%	£550	£417	£278
4%	£528	£396	£264
3.5%	£501	£375	£250
3%	£474	£355	£237
2%	£425	£319	£212
Possible savings	£250	£187	£125

What Can You Raise Money For?

- Credit cards
- Repayment of personal loans
- Home Improvements
- Holidays
- University fees
- Deposit for second home
- Help children onto property ladder
- Fund Buy to Let venture
- Impaired credit

What Does a Remortgage Cost?

- Most lenders help with costs
- Free survey or valuation for mortgage purposes
- Free legal fees to transfer your property to new lender

How Long Does It Take?

- Mortgage offer 2 weeks
- Legal process 3 -4 weeks
- Total of 5 – 6 weeks start to finish
- Up to 85% of the valuation of your home
- Most arrangements fees can be added to the mortgage

Can you afford not to Remortgage?

Buy To Let Purchase

Example:

The Mortgage Works 3.99% 2 year Fixed £2,750 fee:

£150,000 purchase price

£40,000 deposit

£110,000 mortgage

Interest only £366.00pm

Fees add £114.00pm x 24

£480.00pm

Average rental income £600.00pm

Retirement Mortgages

- Where possible repay mortgage prior to retirement
- FSA stopping mortgages into retirement past age 75
- Home Reversion plans only option left

Retirement Mortgages

- Mortgage available for retired clients aged 50-75
- Reason
 - Income (pension) guaranteed
 - Equity in property
 - Low loan to value
 - Offset IHT

We are able to provide private and personal illustrations for:

- Remortgage
- Buy to Let
- Second Homes
- Capital Raising

With no obligation to you

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