

Time to Remortgage?



Remortgaging can often be as complicated as the initial purchase, so here's a step-by-step guide to show how Mortgage Scout can help you through the process



Getting Organised

Here's a list of the things you'll usually need when remortgaging:

- Proof of income e.g. 3 months payslips or 2 years tax calculations & overviews
- 3 months bank statements for all current & savings accounts
- ID & proof of address e.g. passport, driving licence, utility bill, mortgage statement
- Confirmation of current lender & mortgage account number
- Details of loans or credit cards, even if these are to be repaid

Other documents may be required by the lender, based on your individual circumstances, but we'll confirm everything prior to submitting your application

Protection

Don't forget, ensuring you have the correct personal protection in place is an essential part of the mortgage process, not an extra to be forgotten about. Now is the ideal time to review your protection options!

As part of our remortgage process, Mortgage Scout will ask you to complete a quick questionnaire which will allow us to review any protection policies you have in place to ensure adequate protection is being provided. We'll also review any changes in your personal circumstances since you moved into the property

Our advisers are always on hand to answer any queries you may have on life insurance, critical illness cover and income protection, so please do not hesitate to contact us to discuss these at any stage

For insurance business we offer products from a choice of insurers.
You may have to pay an early repayment charge to your existing lender if you remortgage.
Your home may be repossessed if you do not keep up repayments on your mortgage.
There may be a fee for mortgage advice. The actual amount you pay will depend upon your circumstances.
The fee is up to 1%, but a typical fee is 0.3% of the amount borrowed. MAB 11899

Product Transfer

Often referred to as a 'rate switch', a product transfer simply means switching to a new deal with your current lender. The process can be completed a little quicker than a full remortgage but doesn't always offer the most competitive rates. Your Mortgage Scout adviser will consider all options after researching our panel of lenders, to ensure you're receiving the most competitive rates from across the market

Can I borrow more?

At this stage, many clients like to consider the possibility of borrowing an additional amount from their mortgage lender. This is known as capital raising, and can be used for a variety of reasons, from home improvements and one-off lifetime expenses, to consolidating debts or raising a deposit to help the kids get on the ladder. Although capital raising isn't always recommended, your Mortgage Scout adviser can discuss your plans and options in detail to ensure you proceed with the ideal mortgage. Should you decide capital raising is right for you, the additional amount raised will simply be transferred to your account on completion of the remortgage

Can I repay part of my mortgage?

For those fortunate enough to want to repay a large portion of the loan, the remortgage stage is often the perfect time to reduce your mortgage balance, as you can avoid any large ERCs. Your Mortgage Scout adviser will discuss the options available along with the process in more detail during your initial appointment and will demonstrate how much can be saved by reducing your mortgage balance

How long will the process take?

The time required to complete a remortgage can vary depending on the lender, solicitors involved and the complexity of your case. It is still a very complicated transaction, so it can take longer than expected to complete. On average, remortgages tend to take 2-3 months to complete, which is why your Mortgage Scout adviser will look to begin the process around 6 months prior to the end of your initial term. This way, we have plenty of time to get everything finalised before you risk moving onto your lenders variable rate

What if the value of my property has changed?

The value of your property at this stage plays a big part in the remortgage process. All lenders will look at your required loan amount and compare this to the value of the property to determine the loan to value (LTV). The lower the LTV, the lower the interest rates on offer are likely to be! Your Mortgage Scout adviser will run these same calculations to advise on which LTV bracket your loan falls into, along with the various interest rates available

How much does it cost?

This can again vary depending on the complexity of your case and type of property. For most remortgages, the cost of a basic valuation and the basic costs of the conveyancing process are all covered by the lender. Even if you opted to use the 'free solicitors' service, you may still incur small costs for electronic ID verification checks or anything above the standard remortgage transaction, such as adding or removing a party, or dealing with the Help to Buy or Shared Ownership schemes. There may be a fee for mortgage advice and the actual amount you pay will depend upon your circumstances.

Can I use my own solicitor?

Yes. Although most customers decide to use the lenders solicitor service, you can use your own solicitor if you'd prefer, providing they are registered on the panel with the chosen lender. Your Mortgage Scout adviser will check this prior to submission. Should you opt to use your own solicitor, you may be able to benefit from cashback from the lender. This can vary from lender to lender, but Mortgage Scout can guide you through the best options

Jargon Buster

Early Repayment Charge (ERC) – Penalty fee for repaying your mortgage during a specific period
Exit Fees – Fees charged by the lender when a mortgage is repaid. Not to be confused with ERCs, exit fees are in place to cover the lenders administrative costs when closing a mortgage account
Lenders Solicitors (Free Solicitors) – Solicitors instructed by the lender to complete the legal work required during the remortgage process. Basic costs are covered by the lender
Cashback – A small lump sum paid from the lender to the applicant on completion of the mortgage
Desktop Valuation – A valuation carried out on behalf of the lender, using publicly available information, rather than a full inspection of the property
Remortgage Questionnaire – A brief questionnaire sent by the conveyancers, requesting information on the applicants, property and current mortgage
Redemption Figure – A final figure for settling your current mortgage before moving to a new lender. The conveyancers will contact your current lender directly to confirm this figure
Transfer of Equity (TOE) – The process of adding or removing an individual from the mortgage and title deeds of the property
Capital Raising – The process of borrowing an additional amount on top of your current mortgage balance to release funds for a variety of reasons

Call us on 0800 1444 744 to speak to a Mortgage Scout adviser, or visit mortgagescout.co.uk for more information



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