



# Remortgaging Guide

**PERITUS**  
PRIVATE FINANCE

# Why should I remortgage?



## To save money:

- If your current mortgage deal is coming to an end and you want to avoid paying the Standard Variable Rate of your current mortgage lender, as this may be higher than your current rate.
- If you are currently on a short term deal but feel you are paying too much and think you could save money by switching to a new deal even if there are penalties to pay.
- You are on your current lender's standard variable rate and want to move onto a fixed or discounted rate which could be lower than you currently pay.



## To find a deal that better suits your requirements:

- You may be able to switch to a new deal with your existing lender or a new lender that suits your requirements better, such as to fix or cap your payments for a period of time.
- If your property has increased in value you may want to increase your borrowing to make home improvements or for other purposes.

Many people benefit from remortgaging and save money or find a more suitable arrangement for their needs but this is not the case for everyone. Any new mortgage deal, whether from your existing lender or a new provider, is dependent on your individual circumstances.



## Remortgage fees

Whilst in many cases it can be financially beneficial to remortgage, some lenders now charge significant fees when you change mortgage providers and this will need to be considered carefully when working out whether you will be better off to remortgage to a new lender, stay with your current lender, or indeed remortgage at all. Peritus will help you work out the best option by considering the total costs of remortgaging using the Financial Conduct Authority's (FCA) Total to pay definition. This takes account of the arrangement fee, product fee & monthly payments due over the period of the deal.

## What your own mortgage lender offers

We will always consider what deal your current lender can offer to remain with them. If it is better than remortgaging and there are no other factors to consider, we will recommend doing a Product Transfer with your current lender.

## Whether a new lender will offer you a mortgage

It could be that your home has dropped in value and therefore the amount of equity in your property has fallen. This could mean that you have less equity than when you took out the loan initially and you may find it hard to secure an offer that beats your current deal.

In the worst case scenario, it may be that your home is worth less than the amount of your mortgage, which is classed as being in 'Negative Equity'. In this situation it is very unlikely you will be able to find any remortgage deals.

Lenders that offer mortgage deals with a loan to value ratio (LTV) of more than 90% are increasingly limited and the best deals on the market are available for people with LTVs of 70% or less. The LTV is simply the value of the loan expressed as a percentage of the value of the property.

Additionally, in recent years lenders have tightened up their lending criteria, which means a number of factors will affect your ability to remortgage. People with a poor credit rating will find it more difficult to obtain a mortgage as lenders usually prefer to attract customers with a good record. It is advisable to obtain your own credit report from one of the free credit reports services such as Experian, Checkmyfile or Clear Score so you are well informed as to whether you have any credit issues.

Lenders will also now require customers to have higher earnings than in the past and conduct far more detailed affordability assessments prior to deciding on whether they will be prepared to offer you a mortgage.

If you are self-employed you may find the process even more demanding as you will no longer be able to self-certify your income and lenders will expect you to provide formal documentation of your recent earnings.

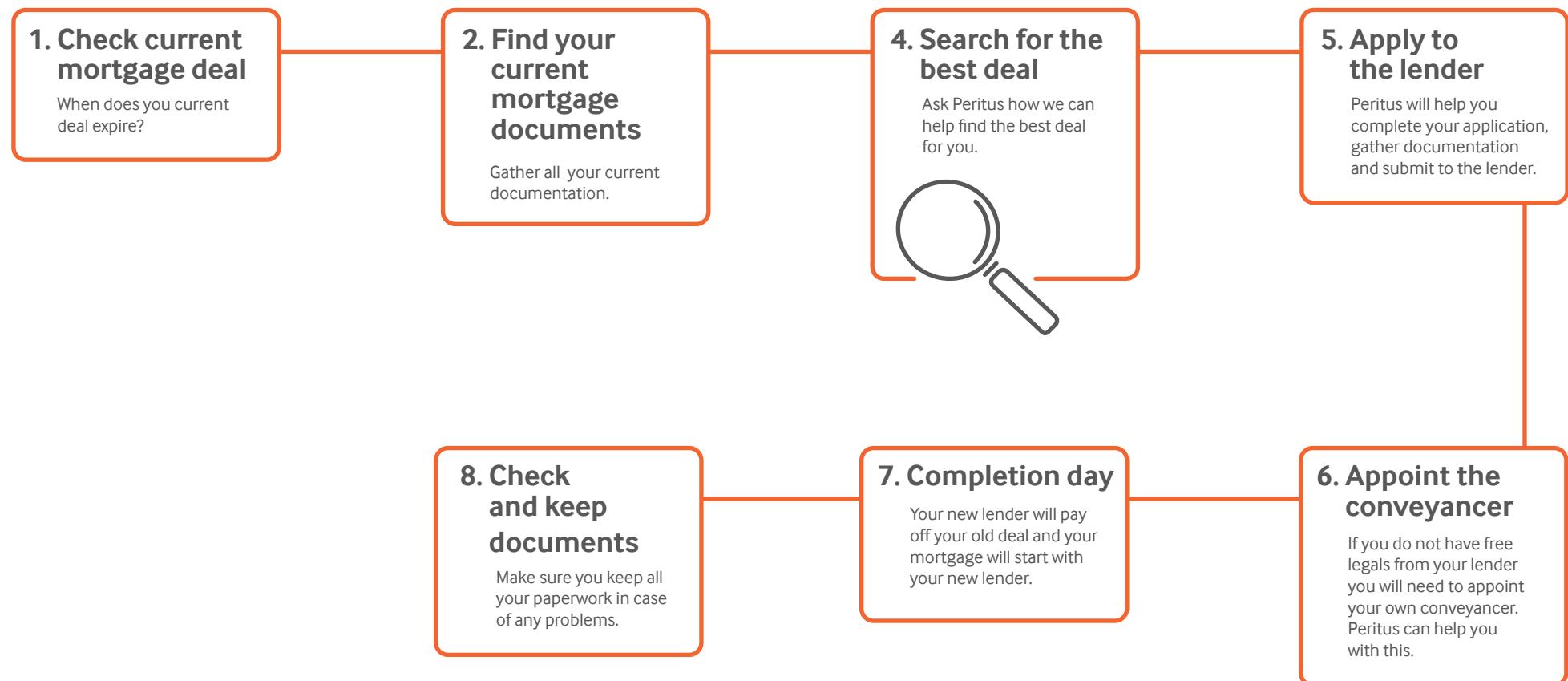
**Taking advice through Peritus will help you navigate any challenges.**

### Staying with my existing lender

We will always consider what deal your current lender can offer to remain with them. If it is better than remortgaging and there are no other factors to consider, we will recommend doing a Product Transfer with your current lender.

**Speak to one of our advisers at Peritus who will conduct a thorough analysis as to the best options for your circumstances.**

# Remortgage process



YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.  
There may be a fee payable for our mortgage service, usually £495, plus we will receive commission from the lender.



**Call 0191 230 5257**  
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