The Mortgage Masters

www.themortgagemasters.co.uk

A FIRST TIME BUYERS GUIDE

We'll help to make your dreams of home ownership come true

LEARN MORE

The Mortgage Masters

FIRST-TIME BUYERS

Guide

Buying your first home is an exciting milestone, yet many first-time buyers feel overwhelmed and confused with the whole process.

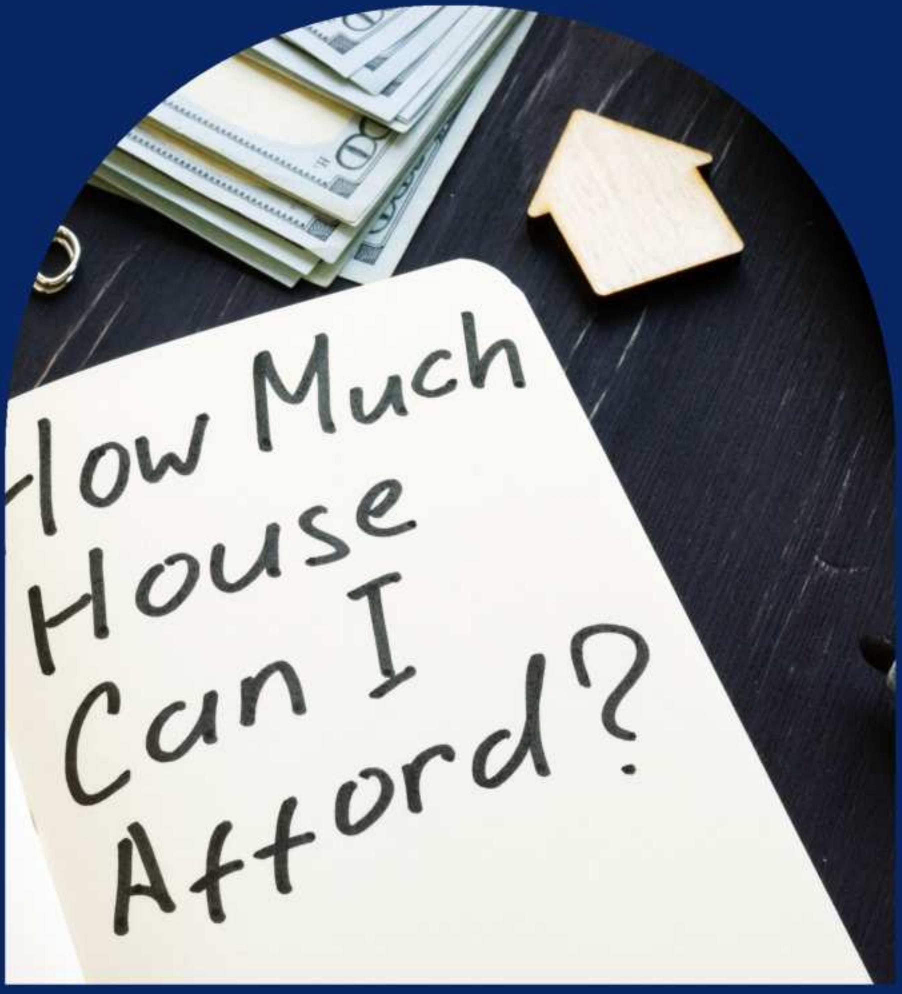
Knowledge and preparation are the key to success. This step by step guide explains the whole house-buying process so you know wxactly what to expect throug your property journey.

www.themortgagemasters.co.uk

The Mortgage Masters

HOW MUCH *Can I Borrow?*

The amount you can borrow depends on a combination of factors such as your income, outgoings, credit history, size of deposit and age. As a very rough guide, most First Time Buyers are able to borrow 4.5 times their income, although some may be able to borrow up to 5.5 times.



Every lender has their own affordability calculator to determine how much you can borrow and this can differ hugely from lender to lender, especially if you are self-employed or have complex income. A mortgage adviser understands the different lender criteria and can do a full assessment of your affordability so that you know how much you can borrow and what the monthly payments would be.

WHAT INCOME CAN I USE *For a Mortgage*

Different lenders treat income differently. If you're employed, they will all accept your basic salary but when it comes to such as overtime, bonuses, overtime and allowances, whilst some lenders are happy to accept 100% of this income, others may only accept 50% and some may not accept it at all. In general, lenders will ask for evidence in the way of such as payslips, P60s or a copy of your contract, to check that additional income is consistent and sustainable

If you are self-employed, lenders will typically want to see 2 years worth of income evidence in the form of SA302s (tax calculations) and tax year overviews, although some lenders will request 3 years worth and others are happy with just one, especially if you have previous work experience in your current line of work.

Other income that lenders may consider include such as Child Benefit, Tax Credits, PIP, Disability Living Allowance and Child Maintenance. If you have any other form of income and are unsure as to whether a lender would accept it or not, get in touch and our expert advisers will help clarify.

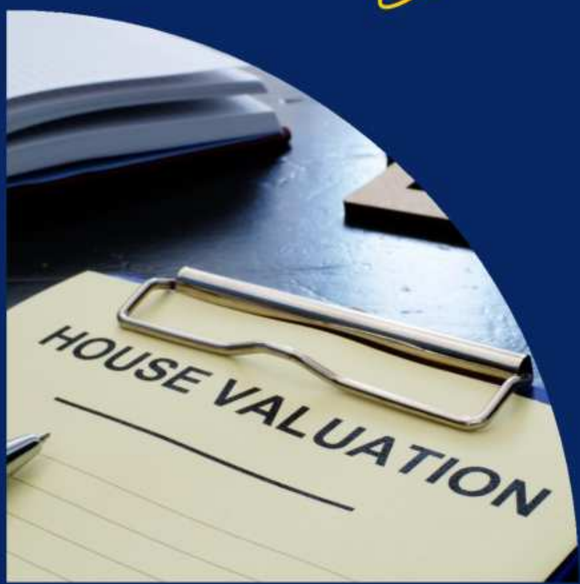
WHICH OUTGOINGS MAY IMPACT HOW MUCH *I can borrow?*

Lenders aren't generally concerned about your day to day expenditures providing you are not living beyond your means. They are however interested in your Committed Expenditures; these are such as loans, credit cards, car finance packages, student loans, school fees and maintenance payments.

Some lenders are very tolerant with Committed Expenditure whilst others will lend you significantly less as a result. A mortgage adviser has the ability to run your figures through the lender's affordability calculator prior to submitting any mortgage application to ensure that you can borrow the required amount.

WHICH FEES ARE INVOLVED IN *Buying a home?*

The Mortgage Masters



Stamp Duty Land Tax

You may have to pay stamp duty land tax when purchasing a property. The amount payable depends on the purchase price.

Valuation Fees

Whilst some lenders offer a free valuation, often you will incur costs to have the property valued. You may also wish to get a more detailed survey such a Homebuyers Survey to give you peace of mind that that the property you are purchasing has no major issues that could end up being costly to repair. The cost varies depending on factors such as the lender and the location, price and type of property being surveyed.

Legal Fees

There are a range of legal fees payable during the mortgage process as you will need to appoint a solicitor to support you.

Product /Arrangement Fees

Mortgage lenders may charge a fee to secure a given mortgage product. These vary from lender to lender.

Broker Fees

At The Mortgage Masters, our initial consultation period is completely free. We are always transparent about our fees and these will be confirmed and agreed, prior to us carrying out a Decision in Principle.

HOW MUCH DEPOSIT

Do I need?

The amount of deposit required for first-time buyers can vary depending on several factors such as the type of mortgage you are seeking, your employment history, any debts you may have and your credit profile.

It's important to note that a larger deposit often leads to more favourable mortgage terms such as lower interest rates.

If you are worried about saving for a deposit and having enough money available for fees, there may be options availble such as selecting a product with cashback which may help cover such as legal costss.

Here at The Mortgage Masters, we understand specific lender requirements and can therefore advise you on the best options available to you.

The Mortgage Masters

WHAT TYPES OF MORTGAGES *Are there?*

There are lots of different mortgage products available. Your mortgage adviser can help advise you on which is the best product for you based upon factors such as your monthly budget and attitude to risk.

Fixed Rate

The majority of First Time Buyers opt for a Fixed Rate mortgage. This is where you fix the interest rate for a set amount of time (usually two or five years). During this time, interest rates may go up or down but yours remain fixed. This makes it easy to budget as you have guaranteed, set monthly payments for the time you fix the rate for

Once have entered into a fixed rate, you are usually subject to an Early Repayment Charge should you wish to leave which means that you may feel tied into paying a higher rate if interest rates drop.

WHAT TYPES OF MORTGAGES

Continued...

When your fixed rate is coming to an end, you usually have the option of fixing a new product with the same lender (a Product transfer) or remortgaging to a new lender. If you do neither, you would be automatically transferred onto your lenders Standard Variable Rate and may end up paying more than you need for your monthly payment.

Other Mortgage Types

There are alternative mortgages available and these don't always involve fixing the rate. The interest rates on these products may increase or decrease in line with the Bank of England Base Rate or they may be decided on by the lender. Whilst there are advantages to these products (many don't have Early Repayment Charges for example), the monthly repayments are not set in stone which can make it difficult to budget.

Here at The Mortgage AMsters, we will fully explain all the options available to you and advise on a product best suited to you and you circumstances.

www.themortgagemasters.co.uk

WHAT HELP IS AVAILABLE TO *First-Time Buyers*

There are various schemes available to help First-Time Buyers get on the property ladder. These include:

- First Home Schemes
- Mortgage Guarantee Scheme
- Lifetime ISA
- Shared ownership
- Right to Buy
- Right to Acquire
- Guarantor Mortgages

Our team of experts here at The Mortgage Masters, can advise you on if you are eligible for any of the first-time buyer schemes and explain them to you in more detail.

The Mortgage Masters

www.themortgagemasters.co.uk

THE HOMEBUYING PROCESS

The Mortgage Masters

Step by step...

1 Contact a Mortgage Adviser

Arrange a call with your mortgage adviser to discuss your circumstances and get an affordablity assessment.

2 Get a Decision in Principle

Apply for a Decision in Principle. This will show the vendor and estate agent that you're in a position to buy.

3 Find a Property

You are in a position to put in an offer. Once accepted,, your mortgage adviser can then apply for your full mortgage application

4 The Legal Process-Conveyancing

Your solicitor will take care of the legalities. This process normally takes around 8-12 weeks

5 You are a Homeowner!

Congratulations you are now at the ned of your mortgage process It's time to make many happy memories in your new home!

HOW TO REACH US

WWW.THEMORTGAGEMASTERS.CO.UK

01924 865007

ENQUIRIES@THEMORTGAGEMASTERS.CO.UK

UNIT 3, GRANGE HOUSE, GRANGE STREET
WAKEFIELD, WF2 8TF

Your home may be repossessed if you do not keep up with repayments

The Mortgage Masters