

A man and a woman are standing in a bright, modern living room, holding hands and smiling. The woman is on the left, wearing a white and blue patterned sweater and blue jeans. The man is on the right, wearing a red and black plaid shirt and blue jeans. They are standing in front of a large window. The room has a wooden coffee table, a grey sofa, and a potted plant. The overall atmosphere is warm and positive.

CURCHODS
MORTGAGE SERVICES

Remortgage Guide

This guide is aimed at anyone in the UK who currently has a mortgage and is considering a remortgage.

Remortgaging involves transferring your existing secured borrowing from one lender to another.

There are two main reasons for remortgaging:

- To borrow additional funds
- To get a better mortgage deal with a new lender, normally when your current deal expires.

Sometimes, you might want to do a combination of the two.

It is best to start this process early. Ideally, get in touch with us around six months before your existing mortgage deal expires, or well before you need additional funds. This gives our professional mortgage adviser plenty of time to find the right mortgage for you.

THINK CAREFULLY BEFORE SECURING OTHER DEBTS AGAINST YOUR HOME.
YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.

The benefits of shopping around

It's easy to lean towards renewing with your current lender as the hassle-free choice. However, you might be passing up an excellent, competitive deal, so it's always worth exploring other options.

Our professional mortgage adviser can help you with everything, whether you want to borrow more from your lender or switch to a new one. They'll do all the analysis for you, comparing what your existing lender can offer with other deals on the market. Our professional mortgage adviser will tell you honestly if you are better off staying with your existing lender or changing to another.

We'll keep it simple for you, streamline the whole process and offer straightforward advice on the benefits and risks of switching. For example, many lenders offer a free legal service with their remortgage deals, saving you money. However, if you need to complete quickly you may be better off selecting your own solicitor.

Curious to learn more about the pivotal role our professional mortgage adviser plays in this process? Feel free to request our guide for more information.

For great advice on every aspect of remortgaging and what it means for your particular situation, just ask.

Things to consider

Loan to value

You need to consider what percentage of the required mortgage will be in relation to the value of your property. For example, if the property is worth £200,000 and you require a mortgage of £150,000, the loan to value will be 75%. The lower the loan to value usually means that the products available attract a lower interest rate. Our professional mortgage adviser will help you work out what is available including if a new lender valuation may be required.

Term

Just because your initial mortgage was taken out over a certain term, your remortgage may not need to continue with the remaining term. The term of the mortgage can vary depending on your needs, age, and budget. The mortgage term can range from 5 to 40 years. The longer the term the more interest you will pay back but the monthly payments will be lower and the shorter the term the less interest you will pay back, and you will be mortgage-free quicker. Our professional mortgage adviser will work out the most suitable term for you – sometimes this is not the longest possible!

Repayment Option

There are two ways to repay your mortgage. The most common is to repay both the capital and the interest over the term that is recommended. This will mean that if repayments are kept up in full, the outstanding debt will reduce year on year.

The other method is to only repay the interest to the lender. This means that the outstanding debt does not reduce but will be repaid by some other means that you may have.

Our professional mortgage adviser will recommend the most appropriate for you once they understand your circumstances.

Product Types

There are various products available, and our professional mortgage adviser will recommend a product that suits your needs. The main two types of available product types are fixed and variable. Fixed will mean that your payments will be set for a specific period and variable will mean that your payments can go up or down depending on various factors linked to the product.

Product Fees

Some products come with fees set by the lender and usually, the products that attract a fee also attract a lower interest rate or other incentives like a free valuation or a cashback on completion. Sometimes it is possible to add the product fee to your loan however this will incur interest and will be paid back over the term of the mortgage. Our professional mortgage adviser will compare the available products for you and discuss your options.

Credit Score

Lenders usually perform a credit check to assess your current and previous financial position, and this will provide the lender with a credit score. This will help the lender decide on your mortgage application and if they are happy to provide you with the loan. It may be best to complete your own credit check and our professional mortgage adviser will direct you on this.

Your income and affordability

The amount that you can borrow will depend on your affordability. This means that our professional mortgage adviser will need to understand all your financial income and expenditure. Whether your income is received via employment, self-employment, contract work, dividends or a partnership, our professional mortgage adviser will be able to advise on the documentation required to support your application.

Legal Fees

Unless the lender you are using is offering free legal, there will be additional fees that your solicitor or conveyancer will explain to you.



Other guides

For more information, please ask for our guides on:

- The role of the professional mortgage adviser
- New builds
- Shared ownership
- Buy-to-let
- First-time buyer and house-buying
- Moving home

You will see from all this information that when remortgaging, it is important to explore the options available to you. It is key to ensure that you have the right mortgage borrowing, term, repayment method, product, and lender to suit your circumstances.

Our professional mortgage adviser will guide you through this process.



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