CLEARMONEY MONEYTARGET

BEST BUY TABLES & INFORMATION GUIDE

Fixed Rate Remortgages

Example based on estimated property Value £150,000, borrowing £75,000 over 25 Years on a repayment basis. No extended tie-in-periods.

Provider	Rate Type	Initial Rate	Monthly Cost	Until/for	Tie-in-period	Standard Rate	Monthly Cost	25 Year APR
The Mortgage Works	Fixed	2.24%	£327	31/01/2014	31/01/2014	4.79%	£421	Pending
Leeds Building Society	Fixed	2.29%	£329	31/01/2014	31/01/2014	5.69%	£457	5.40%
Hanley Economic Building Society	Fixed	2.35%	£331	30/11/2013	30/11/2013	5.19%	£438	5.00%
Santander UK Plc	Fixed	2.35%	£331	02/02/2014	02/02/2014	4.24%	£400	4.10%
NatWest	Fixed	2.45%	£335	31/10/2014	0 months	4.00%	£391	3.90%
Royal Bank of Scotland	Fixed	2.45%	£335	31/03/2014	31/03/2014	4.00%	£391	3.90%
Leeds Building Society	Fixed	2.49%	£336	31/01/2014	31/01/2014	5.69%	£458	5.40%
Skipton Building Society	Fixed	2.58%	£339	31/01/2014	31/01/2014	4.95%	£428	3.90%
ING Direct	Fixed	2.49%	£336	30/11/2013	30/11/2013	3.50%	£372	3.50%
NatWest	Fixed	2.65%	£342	31/03/2014	30/03/2014	4.00%	£391	3.90%
Royal Bank Of Scotland	Fixed	2.65%	£342	31/03/2014	31/03/2014	4.00%	£391	4.00%
Market Harborough Building Society	Fixed	2.69%	£344	31/12/2013	31/12/2013	5.49%	£451	5.10%
Cumberland	Fixed	2.74%	£346	01/12/2013	01/12/2013	4.49%	£411	4.30%
Principality Building Society	Fixed	2.74%	£346	31/12/2013	31/12/2013	4.99%	£431	4.80%
Skipton Building Society	Fixed	2.78%	£347	31/01/2013	31/01/2014	4.95%	£429	4.90%
Chelsea Building Society	Fixed	2.79%	£348	31/01/2014	31/01/2014	5.79%	£463	5.60%
Mansfield	Fixed	2.79%	£348	24 months	24 months	5.59%	£456	5.30%
Santander UK Plc	Fixed	2.79%	£348	02/02/2014	02/02/2014	4.24%	£401	4.10%
Santander UK Plc	Fixed	2.79%	£348	02/02/2014	02/01/2014	4.24%	£401	4.20%
Santander UK Plc	Fixed	2.79%	£348	02/02/2014	02/01/2014	4.24%	£401	4.20%

Your home may be repossessed if you do not keep up repayments on your mortgage.

Variable Rate Remortgages

Example based on estimated property Value £150,000, borrowing £75,000 over 25 Years on a repayment basis. No extended tie-in-periods.

Provider	Rate Type	Initial Rate	Monthly Cost	Until/for	Tie-in-period	Standard Rate	Monthly Cost	25 Year APR
Holmesdale Building Society	Discounted Variable	1.99%	£318	24 months	24 months	4.89%	£425	4.60%
HSBC	Discounted Variable	1.99%	£318	31/01/2014	31/01/2014	3.94%	£387	3.70%
The Mortgage Works	Tracker (stepped)	1.99%	£318	31/01/2013	31/01/2014	4.79%	£422	Pending
Chelsea Building Society	Tracker (stepped)	2.09%	£321	31/12/2013	31/12/2016	5.79%	£452	4.90%
Santander UK plc	Tracker	2.09%	£321	24 months	02/01/2014	4.24%	£399	4.00%
Santander UK plc	Tracker	2.09%	£321	24 months	02/01/2014	4.24%	£399	4.00%
Chelsea Building Society	Tracker (stepped)	2.19%	£325	31/12/2013	31/12/2016	5.79%	£453	5.00%
Chelsea Building Society	Tracker	2.19%	£325	31/01/2014	31/01/2014	5.79%	£461	5.40%
NatWest	Tracker	2.19%	£325	31/03/2014	31/03/2014	4.00%	£390	4.00%
Royal Bank of Scotland	Tracker	2.19%	£325	31/03/2014	31/03/2014	4.00%	£390	4.00%
The Mortgage Works	Tracker	2.19%	£325	31/01/2014	31/01/2014	4.79%	£421	Pending
Chelsea Building Society	Tracker	2.29%	£329	31/01/2014	31/01/2014	5.79%	£461	Pending
Royal Bank of Scotland	Tracker	2.19%	£325	30/11/2013	30/11/2013	4.00%	£390	4.00%
The Mortgage Works	Tracker (stepped)	2.19%	£325	31/01/2014	31/01/2014	4.79%	£421	Pending
Chelsea Building Society	Tracker	2.29%	£329	31/01/2014	31/01/2014	5.79%	£461	5.40%
Yorkshire Building Society	Tracker (stepped)	2.29%	£329	31/12/2013	31/12/2016	4.99%	£424	4.90%
The Mortgage Works	Tracker (stepped)	2.34%	£330	31/01/2013	31/01/2014	4.79%	£423	Pending
Skipton Building Society	Tracker	2.38%	£332	24 months	24 months	4.95%	£428	4.80%
Abbey (Santander)	Tracker	2.39%	£332	24 months	02/01/2014	4.24%	£400	4.10%
Abbey (Santander)	Tracker	2.39%	£332	24 months	02/01/2014	4.24%	£400	4.10%

Your home may be repossessed if you do not keep up repayments on your mortgage.

Life Insurance

Example based on Level Term Life Assurance of £100,000 over 20 years

Male, aged 35. Non smoker		**Male, aged 35. Smoker**		**Female, aged 35. Non smoker**		**Female, aged 35. Smoker**	
Company	Mth Premium	Company	Mth Premium	Company	Mth Premium	Company	Mth Premium
Legal & General Level Term Assurance (Electronic)	£7.50	PruProtect Essentials Accelerator	£11.82	Level & General Level Term Assurance (Electronic)	£6.14	PruProtect Essentials Accelerator	£9.46
Legal & General Level Term Assurance (Paper)	£7.50	LV=FPP Online Term	£13.41	Legal & General Level Term Assurance	£6.14	Aviva Term Assurance	£10.40
Legal & General Level Term Assurance (Electronic)	£7.50	Zurich Level Protection Plan – (Electronic)	£13.50	Legal & General Mortgage Term Assurance (Electronic)	£6.14	Aviva Term Assurance (Electronic)	£10.40
Legal & General Level Term Assurance (Paper)	£7.50	Zurich Level Protection Plan – (Paper)	£13.50	Legal & General Mortgage Term Assurance (Paper)	£6.14	LV=FPP Online Team	£10.49
Bright Grey Lifestyle Protection Plan	£7.65	Legal & General Level Term Assurance (Electronic)	£13.58	Bright Grey Lifestyle Protection plan	£6.27	Zurich Level Protection Plan – (Electronic)	£10.50
Aviva Term Assurance	£7.90	Legal & General Level Term Assurance (Paper)	£13.58	Aviva Term Assurance	£6.60	Zurich Level Protection Plan – (Paper)	£10.50
Aviva Term Assurance (Electronic)	£7.90	Legal & General Mortgage Term Assurance (Electronic)	£13.58	Aviva Term Assurance (Electronic)	£6.60	Legal & General Level Term Assurance (Electronic)	£10.55
LV= FPP Online Team	£7.94	Aviva Term Assurance	£13.60	Zurich Level Protection Plan - Electronic	£6.70	Legal & General Level Term Assurance (Paper)	£10.55
Aviva Simplified Life Level Term	£7.99	Aviva Term Assurance (Electronic)	£13.60	Zurich Level Protection Plan – Paper	£6.70	Legal & General Mortgage Term Assurance (Electronic)	£10.55
PruProtect Essentials Accelerator	£8.00	Aviva Simplified Level Term	£13.71	LV = FPP Online Team	£6.78	Legal & General Mortgage Term Assurance (Paper)	£10.55

Critical Illness Insurance

Examples based on male / female aged 30 with £100,000 of critical illness cover over a term of 25 years.

Male, aged 30. Non smoker		Male, aged 30. Smoker		Female, aged 30. Non smoker		Female, aged 30. Smoker	
Company	Mth Premium	Company	Mth Premium	Company	Mth Premium	Company	Mth Premium
Synergy	£14.73	**Synergy**	£19.97	**Synergy**	£21.27	**Synergy**	£24.30
Zurich (P)	£21.90	**Zurich (P)**	£35.60	**Zurich (P)**	£23.00	**Friends Provident**	£31.14
Zurich (E)	£21.90	**Zurich (E)**	£35.60	**Zurich (E**	£23.00	**Zurich (E)**	£31.40
Friends Provident	£21.91	**Friends Provident**	£36.42	**LV**	£23.66	**Zurich (P)**	£31.40
AEGON	£22.43	**Legal & General (E)**	£36.80	**Bupa**	£23.88	**LV**	£31.42
LV	£22.67	**Legal & General (P)**	£46.40	**Scottish Provident**	£24.03	**Legal & General (E)**	£32.30
Scottish Provident	£22.85	**AEGON**	£38.37	**Legal & General (E)t**	£24.50	**Scottish Provident**	£34.44
Legal & General (E)	£23.60	**Scottish Provident**	£38.37	**Friends Provident**	£26.02	**Bupa**	£34.99

Home Insurance

Example based on 3 bedroom detached house. Rebuild cost £100,000 with £30,000 contents cover. Voluntary excess £100 buildings and contents

Provider	Annual Premium	Monthly Premium	
Quinn Direct	£202.56	£17.28 (10 months), deposit £43.27.	**Total £216**.07
Ehome	£207.29	£15.45 11 months), deposit £71.23.	**Total £241.18**.
Key Connect	£226.58	£22.75 (10months), deposit £20.60.	**Total £248.10**.
Key Connect	£237.18	£23.82 (10 month), deposit £21.56.	**Total £259.76**.
Elephant.co.uk	£242.12	£24.32 (10 months), deposit £22.01.	**Total £265.21**.
Pearl	£248.78	£24.32 (10 months), deposit £22.61	**Total £272.41**.
AA	£287.34	£28.73 (11 months), deposit £28.73.	**Total £332.54**
1st Quote	£289.52	£27.30 (10 months), deposit £59.93.	**Total £332.93**.
PRESTIGE	£301.83	£28.39 (10 months), deposit £62.31.	**Total £346.12.**
Igo4value	£310.26	£27.63 (10 months), deposit £62.05.	**Total £338.35**.
CoverDirect	£313.83	£29.87 (10 months), deposit. £47.14.	**Total £345.84**.
Quotelinedirect	£320.28	£30.00 (12 months), no deposit.	**Total £360.00**.
BROKER KING	£325.64	£33.59 (12 months), no deposit	**Total £403.08**.

Landlord Insurance

Example based on property valued at £200,000

Provider	Annual Premium	Total Excess	Buildings Cover	Public Liability Cover	Loss of Rent
Finsbury Insurance Group	£176.05	£250	£100,000	£2,000,000	20%
Brit Assurance	£187.58	£250	£100,000	£2,000,000	20%
Acumus	£195.59	£250	£100,000	£2,000,000	20%

Key Person Insurance

Example based on male, aged 30 for £100,000 of cover over a period of 25 years.

Provider	Monthly Premium	Premium Type	Terminal Illness Benefit
Friends Provident Business Protection	£27.94	Guaranteed	Yes
Legal & General Business Protection	£26.90	Guaranteed	Yes
AEGON Scottish Equitable Protection	£27.94	Guaranteed	Yes
Bright Grey Protection	£28.08	Guaranteed	Yes

Accident, sickness and unemployment cover

Example based on 30 year old UK resident in permanent employment working 37.5 hours per week. Accident, sickness and unemployment cover with £1,000 of monthly benefit to cover mortgage payment plus £500 extra cover for bills etc. Protection runs for 2 years.

Provider	Product name	Max no of payments A&S/U	Waiting period A&S	Waiting period U	Monthly cost	Cost over term
Iprotect	Accident, Sickness & Unemployment (180 days)	6	211 days	121 days	£13.65	£327.60
helpucover	Accident, Sickness & Unemployment (180 days)	6	211 days	211 days	£14.25	£342.00
Ant Insurance	Accident, Sickness & Unemployment (180 days)	6	211 days	211 days	£14.55	£349.20
Monster Insurance	Accident, Sickness & Unemployment (90 days)	6	211 days	211 days	£15.00	£360.00
Iprotect	Accident, Sickness & Unemployment (90 days)	6	121 days	211 days	£15.15	£363.60
Monster Insurance	Accident, Sickness & Unemployment (180 days)	12	211 days	211 days	£16.20	£388.80
Iprotect	Accident, Sickness & Unemployment (180 days)	6	211 days	91 days	£16.35	£392.40
Ant Insurance	Accident, Sickness & Unemployment (90 days)	6	121 days	211 days	£16.50	£396.00
Iprotect	Accident, Sickness & Unemployment (90 days)	6	121 days	121 days	£16.50	£396.00
Iprotect	Accident, Sickness & Unemployment (60 days)	6	91 days	211 days	£16.80	£403.20
Ant Insurance	Accident, Sickness & Unemployment (180 days)	6	211 days	121 days	£17.10	£410.40
Monster Insurance	Accident, Sickness & Unemployment (90 days)	6	121 days	121 days	£17.10	£410.40

Annuities

Example based on Male purchasing an annuity, aged 65. Smoker/all : All. Pension fund of £20,000. Joint life annuity, no guarantee. Age of spouse - 60. Level of income for spouse - 50%.

		Monthly Income		
Provider	Smoker/All	Level	Increasing by 3%	Increasing by RPI
Reliance Mutual	Smokers only	£101.00	£72.00	n/a
Just Retirement	Smokers only	£100.00	£72.00	£64.00
Partnership Assurance	Smokers only	£95.00	£66.00	£54.00
MGM Advantage	All	£94.00	£66.00	£58.00
Legal & General	All	£92.00	£62.00	£52.00

Male purchasing an annuity, aged 65. Smoker/all : All. Pension fund of £20,000. Joint life annuity, 5 year guarantee. Age of spouse - 60. Level of income for spouse - 50%.

Reliance Mutual	Smokers Only	£101.00	£72.00	n/a
Just Retirement	Smokers Only	£100.00	£72.00	£64.00
LV	Smokers only	£99.00	£70.00	£54.00
Partnership Assurance	Smokers only	£95.00	£66.00	£54.00
Saga	All	£91.00	£61.00	£53.00

Male purchasing an annuity, aged 65. Smoker/all : All. Pension fund of £20,000. Joint life annuity, 10 year guarantee. Age of spouse - 60. Level of income for spouse - 50%.

Reliance Mutual	Smokers only	£99.00	£71.00	n/a
Just Retirement	Smokers only	£98.00	£71.00	£63.00
LV	Smokers only	£98.00	£69.00	£54.00
MGM Advantage	Smokers only	£93.00	£65.00	£57.00
Partnership Assurance	Smokers only	£93.00	£65.00	£54.00

Endowments

Example based on 30 year old male, non-smoker making a £100 regular monthly payment.

Provider	Product Name	Illustrated Fund	Charges & Deductions	Charges in Early Years
Police Mutual	Regular Savings	With Profit	£1,467	£909
Teachers Assurance	Guaranteed Savings Plan	With Profit	£1,750	£1,060
Wesleyan	Fixed Term Saving Plan	Wesley Life With Profit Fund	£1,833	£282
Scottish Friendly Assurance	Prosperity Savings Plan	With Profits Fund	£2,120	£1,370
Sheffield Mutual Friendly Society	Regular Savings Plan	With Profits Fund	£2,222	£918
Red Rose Friendly Society	Savings Endowment	Traditional Endowment With Profits	£2,240	£1,090

Stakeholder & Personal Pensions

Example based on 30 year old planning to retire aged 65 making a £100 regular monthly payment.

Provider	Product Name	Illustrated Fund	Charges & Deductions	Charges in Early Years	Stakeholder
AEGON Scottish Equitable	FPP - Financial Adviser Charge Option	UK Equity	£25,445	£496	No
AEGON Scottish Equitable	FPP - Financial Adviser Charge Option	With Profits Growth Fund	£25,445	£496	No
B & C E Insurance Ltd	EasyBuild (Non Restricted)	EasyBuild Balanced Fund	£29,900	£75	Yes
Prudential	Flexible Retirement Plan	Prudential Managed A Fund	£30,200	£78	No
Scottish Life (Royal London)	Pension Portfolio	Unitised With Profits	£30,324	£332	No
Scottish Life (Royal London)	Pension Portfolio	Manager Fund	£30,324	£332	No
AXA Wealth	The One from Winterthur	Winterthur Index Linked	£30,900	£143	No
Standard Life	Active money pp (Online Applications) £	Standard Life Pension Managed 70/30	£33,300	£64	No
Friends Life	Friends Online Stakeholder Plan	Managed Fund	£36,947	£63	Yes
Standard Life	Stakeholder Pension Plan	Stakeholder With Profits	£39,000	£78	Yes
Standard Life	Stakeholder Pension Plan £	Stakeholder Managed Fund	£39,000	£78	Yes
Aviva Life & Pensions UK Limited	Stakeholder Pension Plan £	Aviva Balanced Managed	£40,960	£90	Yes
Aviva Life & Pensions UK Limited	Stakeholder Pension Plan £	Aviva Stakeholder With Profit Fund	£40,960	£90	Yes
Legal & General	Legal & General Stakeholder Pension Scheme	Managed Fund	£42,400	£94	Yes
Legal & General	Legal & General Stakeholder Pension Scheme	Managed Fund	£42,400	£94	Yes
BlackRock Pensions Ltd	BlackRock Individual Stakeholder Plan	DC Strategic Accumulation Ltd	£43,054	£75	Yes
Legal & General UT Mgrs Ltd	Legal & General (UTM) Stakeholder (Nationwide)	Tracker Pension Fund	£45,000	£78	Yes
Scottish Widows	Stakeholder Pension Plan	Consensus Fund	£45,000	£78	Yes
Scottish Widows	Stakeholder Pension Plan	Consensus Fund	£45,000	£78	Yes
Scottish Widows	Stakeholder PPP – Web Only	Consensus Fund	£45,000	£78	Yes

Savings Accounts

Example based on initial deposit of £10,000 with option to make regular deposits. Notice period up to 1 year. Available only to adults. Taxable.

Provider	Product Name	Initial Rate	Rate Type	Until/for
Saga	Fiver Year Fixed Rate Internet Savings Bond	4.50%	Fixed	Term
Saga	Fiver Year Fixed Rate Internet Savings Bond	4.41%	Fixed	Term
Saga	3 Year Fixed Rate 4.00% Savings Account	4.00%	Fixed	Term
Saga	Internet 3 Year Fixed Rate Bond	4.00%	Fixed	Term
Saga	3 Year Fixed Rate 3.93%	3.93%	Fixed	Term
Saga	Internet 3 Year Fixed Rate 4.00% Savings Account	4.00%	Fixed	Term
Saga	3 Year Fixed Rate 3.93% Savings Account	3.93%	Fixed	Term
Saga	Internet 3 Year Fixed Rate 3.93% Savings Account	3.93%	Fixed	Term
Saga	2 Year Fixed Rate 3.60% Savings Account	3.60%	Fixed	Term
Saga	Internet 2 Year Fixed Rate 3.60%	3.60%	Fixed	Term
Aldermore	120 Day Notice Account	3.20%	Fixed	Term
Manchester Building Society	Premier Notice Issue 37	3.16%	Fixed	Term
Aldermore	120 Day Notice Account	3.20%	Variable	Ongoing
Manchester Building Society	Premier Notice Issue 37	3.16%	Variable	Term
Aldermore	120 Day Notice Account	3.15%	Variable	Ongoing
Julian Hodge Bank	Extra High Interest Deposit	3.05%	Variable	Ongoing
Julian Hodge Bank	Extra High Interest Deposit	3.01%	Variable	Ongoing
Post Office Ltd	Online Saver Issue 4	3.01%	Variable	Ongoing

Unit Trust and OEIC ISAs

Example based on IMA (Investment Management Association) fund sector of All UK Companies. £3,600 invested as a single lump-sum payment for minimum 10 years.

Provider	Product Name	Illustrated Fund	Charges & Decutions	Charges in Early Years	Transfers in	Transfers out	Stakeholder
HSBC Trust Company (UK) Ltd	ISA £	FTSE 100 Index Fund – R	£188	£35	Standard charges	Free	No
HSBC Trust Company (UK) Ltd	ISA £	FTSE All Share 250 Index Fund - R	£188	£35	Standard charges	Free	No
HSBC Trust Company (UK) Ltd	ISA £	FTSE All Share Index Fund – R	£188	£35	Standard charges	Free	No
Fidelity International	ISA £	Moneybuilder UK Index Fund	£209	£39	Standard charges	Free	No
F&C	Investment Funds ISA £	FTSE All-Share Tracker	£296	£64	Standard charges	Free	No
Legal & General	ISA £	UK Index Trust – (R)	£345	£70	Standard charges	Free	No
M&G	ISA £	Index Tracker Fund A	£346	£66	Standard charges	Free	No
Liontrust	ISA £	Top 100 Fund	£347	£85	Standard charges	Charged	No
Henderson Global Investors	Henderson Investment Funds ISA £	UK Index Fund – R	£417	£85	Standard charges	Free	No
Allianz Global Investors	ISA £	Allianz RCM UK Index Fund - A	£466	£110	Standard charges	Free	No
Fidelity International	ISA £	MoneyBuilder Growth ISA Fund	£507	£119	Standard charges	Free	No
Legal & General	ISA £	UK 100 Index	£507	£104	Standard charges	Free	No
Aviva Investors	Investment ISA £	UK 100 Index Tracking Fund 1	£570	£117	Standard charges	Free	No
Aviva Investors	Investment ISA £	Blue Chip Tracking Fund 1	£587	£121	Standard charges	Free	No

Investment Bonds

Example based on £10,000 lump sum investment.

Provider	Product Name	Illustrated Fund	Charges & Deductions	Charges in Early Years	Min. Withdrawal	Min. Balance
AEGON	Investment Control	Mixed	£830	£147	£250	£250
Zurich Assurance Ltd	Investment Bond – Flexible	Sterling UK Fund	£917	£238	£1000	£50
Zurich Assurance Ltd	Investment Bond – High Allocation	Sterling UK Fund	£1,010	£252	£1000	£50
Zurich Assurance Ltd	Investment Bond – Standard	Sterling UK Fund	£1,050	£271	£1050	£50
Prudential	Prudential Investment Plan (Clean)	Prudential Managed Fund	£1,290	£265	£500	£50
Zurich Assurance Ltd	Investment Bond – no Exit Penalty	Sterling UK Fund	£1,290	£351	£1,000	£50
Scottish Widows	Investment Bond – Initial Allocation	Balanced Fund	£1,366	£381	£1,000	£20
Scottish Widows	Investment Bond – Matched Charge	Balanced Fund	£1,653	£352	£1,000	£20

MORTGAGE INFORMATION GUIDE

<u>NOTE:</u> This guide does not constitute advice. It is an information resource that will help you to be informed and understand the features and benefits of the mortgage cycle. Please read this prior to receiving independent advice so that the very best personalized solution can be put in place for you.

A mortgage is a sum of money borrowed from a bank or building society in order to purchase a property. The money is then paid back to the Lender over a fixed period of time together with accrued interest. There are many different types of mortgages and there will be one out there that best suits you.

Types of Mortgages

There are essentially two different types of mortgage:

- Repayment (capital and interest mortgage)
- Interest only, (ISA, pension or endowment mortgage)

Repayment Mortgages

Your monthly repayments consist of repaying the capital amount borrowed together with accrued interest. On your mortgage statement, normally received annually, you will see that the amount borrowed decreases throughout the term. Provided that you make all the agreed payments, the loan will be fully paid off by the end of the term.

Interest Only Mortgages

When you take out any type of mortgage, in return for the money a bank will lend you, you will be charged interest on the amount they lent you until the amount is paid off in full in return for their service. With an interest only mortgages any payments you make to your lender will only go to paying off the interest on the loan and not the loan itself.

In contrast to a repayment mortgage, with an interest only mortgage, your monthly mortgage payments are used to pay off just the interest you are paying on the amount you owe. Interest only mortgages tend to be popular, because they offer a relatively cheap way to purchase a house, as the repayments you make are comparatively small.

In most cases, the repayments work out cheaper than the actual rental value of the property if you had intended, alternatively, to rent a similar priced property. In order to raise the actual capital on your property to pay off the mortgage, you are advised to invest the money you save on the mortgage repayments into a long-term investment fund.

The associated advantage of this type of mortgage is that if you invest wisely, then you should be able to pay off your mortgage early. However, if you invest badly, then you could end up losing a significant amount of your money, and still have the original mortgage total outstanding, this may well result in you losing your home.

First Time Buyer Mortgage

It is paramount, when you are buying your property, that you carefully consider all the mortgage options available to you to determine which type of mortgage suits your financial situation best. At present, mortgage rates for first time buyers are very competitive, as mortgage providers compete for your custom.
Before purchasing your first property, it is essential that you compare a number of mortgage providers to find the best mortgage suited to your financial situation.
There are a range of mortgage products on the market, each with its specific advantages and disadvantages. Always read the small print and be very clear of any charges, penalties or restrictions, which may come with the mortgage. In particular, be very wary of your mortgage creating a situation of negative equity, i.e. the value of your mortgage exceeds the value of your property. The maximum amount that a first time buyer will be able to borrow depends upon the mortgage lender you choose. Some lenders will permit you to take out a mortgage more than five times your salary. It is now also possible to take out mortgages in excess of the value of the property you are purchasing, though often a minimum deposit is required. A 5% deposit is normally considered the minimum. Borrowers who are able to provide a 10% deposit may be able to negotiate better deals as they are viewed as a smaller overall risk.

You can typically borrow up to three and-a-half times the main earner's income before tax, plus one times any second earner's income, or alternatively two-and-a-half times their joint incomes (if this is larger). The majority of first time buyers opt for a fixed repayment mortgage, as this method of repayment is far easier to budget for, though with interest rates so low at present you may be able to get a better deal with a variable rate mortgage.

Finally, first time buyers with a low initial deposit should try to avoid mortgage indemnity guarantees (MIGs). Many lenders require borrowers to buy a MIG as a condition of their lending terms. MIGs are designed to protect the lender in the event that borrower defaults on payments. In reality, it has no real benefit for the borrower and can cost thousands of extra pounds when spread across the full period of the mortgage. Where MIGs are compulsory, first time buyers are advised to try and save a larger deposit, as the overall long-term savings will be far greater.

Re-Mortgages

You may have heard that re-mortgaging is becoming more and more popular amongst homeowners. This challenges quite a few traditionally held beliefs, especially since re-mortgaging was once seen as a desperate move to stave off bankruptcy. However, those days are long since gone, and re-mortgaging has become a tool often used by both borrowers and lenders.

For borrowers, re-mortgaging is a way to make sure you are always getting the best deal on a mortgage. With more and more banks offering mortgage products, the competition for customers has become fierce. The careful consumer can find some great deals, and with just a little effort and advice can shave thousands of pounds off their mortgage or even pay off their mortgage years earlier.
For lenders, encouraging people to re-mortgage their homes can be a powerful tool to gather new customers. Banks may offer many different incentives to get people to take out a new mortgage with them, and this again leads to great deals for consumers.

Before re-mortgaging becomes a possibility, you have to confront the many barriers you may think stand in the way. Most of the time, people make these barriers seem much larger than they really are, establishing a kind of mental barrier to re-mortgaging. In fact, the process of re-mortgaging is simple and straightforward, and many banks or mortgage companies will even do most of the work for you! Here are a few common misperceptions:

• *There will be a lot of paperwork* - Yes, there may be some paperwork but customers now have more power than at any point in history, so if you are uncomfortable, ask your new bank to do the work for you! Some may say no, but in most cases they will want your business badly enough to help you out.

• *I will have to pay an Early Repayment Charge* - Many standard mortgages have an Early Repayment Charge if you pay off your loan early. However, if you are paying less interest on your new mortgage, you may end up saving more money in the first year or two than you would have paid in penalties – however, it is important to remember that if you do add the Early Repayment Charge to the new mortgage then interest will be charged on this amount over the new mortgage term.

• *It is hard to find a good deal* - This is simply no longer true. Lenders are peddling their products all over the place, and with just a few phone calls or web searches, you can often find a mortgage that has a better rate than the one you have now. Therefore, if you want to save money on your mortgage, do not be afraid to look at the competition. You may even be able to use other lenders' products as a bargaining chip to get your current lender to offer you a better deal just to keep your business, which will give you all the advantages of re-mortgaging without having to change lenders.

Next Time Buyer Mortgages

It's probably been a while since you bought your home and chances are you're like most people out there and can't remember where to begin sorting out your mortgage or you just want to know more about the new options available to you.

There are thousands of mortgage schemes to choose from which is good for you as this keeps prices competitive. However as a buyer it also means that the mortgage market place is very confusing. Don't despair! We aim to make your home moving experience an easy one.

Buy to Let Mortgages

NOTE: The majority of Buy to Let mortgage sales are not currently regulated by the Financial Services Authority.

If you are intending to buy a property to let out, then you will need to take out a specialist mortgage. The amount you will be expected to put down as a deposit will depend upon the broker you intend to use; however, it is fair to assume that you will need to put down between 15% and 25% as a deposit. Given the general growth within the buy to let market, there has also been a general shift within the financial lending market to accommodate this move.
In the past, the only real option for landlords was to take out commercial mortgages which were far more expensive. Today, however, buying to let a property is no longer the preserve of the business entrepreneur, and many families opt to buy a second home to let out as a second income, leading to an increase in choice for consumers.

Many banks now offer the opportunity to take out more than five mortgages for buy to let properties, if they are comfortable with your ability to successfully manage the properties. Given the inherent higher risks involved with choosing to buy a property to let out, buy to let mortgages inevitably work out slightly more expensive than a traditional high-street mortgage.

The amount of money you will be able to lend will depend upon the mortgage lender you choose. The amount you can lend may be based upon:

- *Your current income.*
- *You're current income plus the amount of rent your lender calculates that you can add to your current income through the property rental.*
- *The rental income from the property only.*

Evidently, depending upon your financial situation, it is always a good idea to compare lender deals before signing any buy to let mortgage contracts. It is also very important to consider any relevant tax implications, as any interest you pay on your mortgage can be offset against tax, though capital payment cannot. Consequently, it may be to your advantage to apply for an interest only mortgage. Of course, if you are eager to pay off the outstanding mortgage, then you should always opt for a repayment mortgage.

Let to Buy Mortgages

Let to buy mortgages are designed to allow you to move home without having to sell your existing property, move into a second home while your existing property is let for investment to tenants.

Let to buy mortgages will allow you to move quickly towards completion without having to sell your existing property or arranging expensive bridging loans. The benefits of let to buy mortgages:

- *Let to buy mortgages help with property purchase for relocating*
- *Retain your original property as an investment property with a let to buy mortgage*
- *Break the buyers/sellers chain if having trouble selling or you have little or no equity*
- *Use let to buy mortgages to acquire second home or rental investment property that provide dividends as a form of long term pension provision once mortgages are paid off.*

We have a team of independent mortgage advisers who offer help and advice on selecting the best let to buy mortgage products. We are very experienced in the mortgage market and can help you every step in purchasing a second home or rental property to let for investment - at the best interest rates! You may even wish to re-mortgage your existing home to raise capital towards the deposit and expenses of acquiring your next home.

Self-Employed Mortgages

In today's economic climate, lenders are usually more than happy to offer mortgages to customers. Banks are competing with each other to build a customer base, with the result that customers can shop around to find a great deal on a mortgage. However, even though getting a mortgage is easier than ever, self employed people may still have difficulty finding a lender willing to take a risk on their ability to pay back a major loan. This is because people who are employed can easily prove their income to the bank or Mortgage Company, while self-employed or contract employees may have difficulty showing a steady, reliable income.

This does not mean that self-employed people cannot get mortgages. As stated earlier, lenders are always looking for new customers, and they are not about to ignore the 3.7 million potential customers in the UK who are self employed*. Many lenders offer self-employed mortgages, which are similar to regular mortgages except that they require more documentation to verify your income. A self-employed mortgage may also require you to provide a large down payment of up to 25 percent of the price of your home.

Still, there are many advantages to a self-employed mortgage. Before you apply for this type of mortgage, you should ensure that you have your accountant prepare three years of audited account records. The lender will look at these to determine your net income in the past three years.

** Source: Office of National Statistics – August 2006*

You can also provide documentation such as mortgage or loan payment histories that show you have been a reliable borrower over an amount of time. By preparing well ahead of time, you can increase your chances of receiving a self-employed mortgage. Once you have all the documentation you will need, shop around for the best mortgage product. Many lenders are offering features that help self-employed people cope with a mortgage, such as the ability to overpay when you make extra money or underpay when your cash flow slows down.

You should also look for a self-employed mortgage that does not have onerous Early Repayment Charges for paying down your principal early or re-mortgaging. Additionally, if you are planning to overpay at times, it is important to look for a mortgage that calculates interest daily, so that you pay less interest.
While you may be used to dealing with larger banks and mainstream lenders for your business and personal banking, when you are looking for a self-employed mortgage, you should not be afraid to expand your search. Some smaller mortgage companies and lenders offer specialised mortgage products for self-employed people, and these companies are often your best choice for a self-employed mortgage.

Cash Back Mortgages

The Lender, as an incentive, will offer a lump sum of cash once the mortgage has been taken out. The amount will vary from lender to lender and on the size of the mortgage. The amounts can range from a flat fee e.g. £200 to a percentage of the loan e.g. 3% of the loan.

Normally the ‘cash back’ is offered as a package of benefits e.g. linked with a discount, but pure ‘cash back’ products are not uncommon. Mortgages offering a 5 or even 6% ‘cash back’ can be found which would mean a borrower taking a £70,000 mortgage would receive £4,200 on completion (at 6%). As you would expect lenders apply an Early Repayment Charge with ‘cash back’ mortgages requiring some or all of the ‘cash back’ to be repaid. Typically a borrower will be locked-in for 5 to 7 years where a substantial ‘cash back’ has been paid.

Adverse Credit Mortgages

Does a bad credit rating mean that you will never be able to get a mortgage? Many people are rejected for mortgages because of bad marks on their credit rating. It does not take much to degrade your credit rating: often a bad credit rating can stem from a simple matter of an unpaid or late utility bill, a forgotten debt to a book club, or a missed credit card payment.

You may also earn a bad credit rating as the result of identity theft, which is a growing problem. A bad credit rating can come from a small missed payment or from something major, but regardless of the severity of the problem, adverse credit can make it extremely difficult for you to get a mortgage from a mainstream lender. Many mortgage brokers will be able to help get you an adverse credit mortgage. Mortgage brokers have added negotiation power with major lenders, and so they may be able to get you a mortgage from a bank that would otherwise reject you. This is because mortgage brokers bring thousands of customers to banks each year, and so they are able to exert some influence on your behalf.

An adverse credit mortgage obtained through this route may have a slightly higher interest rate than the banks other mortgage products, but will still be competitive. The other avenue for adverse credit mortgages is the smaller lending companies. These lenders will command high interest rates to give you a mortgage.

Unlike regular mortgages, there is not much competition for adverse credit mortgages, so lenders can charge higher interest rates as a rule. However, smaller mortgage companies may charge up to double the going interest rate for your mortgage, simply because there are no other lenders willing to take the risk on a borrower with adverse credit. Ironically, these smaller lenders are probably borrowing money from the larger mainstream banks just so they can lend it to you!

Okay, so what can you do if you have a poor credit history and want to get a mortgage? The first step is to check into your credit history to make sure there is nothing you can do to fix it. For example, if you have been the victim of identity theft, your credit rating may be cleansed just with a few phone calls. Next, research the mortgage market and visit as many banks as possible to see if any of them are willing to take a risk. You should also try to establish a rapport with each personal banker. Be as honest as you can about what caused your bad credit rating. Even though you cannot hide your credit history, you may find a sympathetic person who is willing to "pull some strings" to help you out.

Finally, once you are granted a mortgage, be sure to make every payment on time. Then when it is time comes to refinance either at the end of your mortgage term or before, you may be able to negotiate a more advantageous mortgage.

Current Account Mortgages

Current account mortgages (or CAM's for short) combine a mortgage and a current (banking & cheque) account. There are now a number of lenders offering these types of mortgages, and they are becoming increasingly popular. CAM's have similar features to flexible mortgages. Generally at the forefront of mortgage flexibility, innovative flexible current account mortgages are designed to fit in with today's flexible careers and lifestyles. They can be ideal if you would like the option to pay additional lump sums or make overpayments, thus reducing the cost of your mortgage at a stroke and also shortening the term.
You may be self-employed with income fluctuations or you may earn commission or bonuses that make this possible. Their unique selling point is that you can combine what you own and what you owe to save thousands of pounds.

For example, you can pay your salary into a combined mortgage and current account each month. Your capital is instantly reduced and therefore your interest is reduced (make sure your lender calculates your interest on a daily basis for the best deal). Even as you draw on this money over the month for living expenses you save interest by having the reduced capital. In addition homeowners with cash to spare have discovered that CAM's give them a better deal than many instant access accounts. By switching your savings into these flexible mortgages you can reduce your mortgage interest and repayment term at one stroke. The results of all this can be that you end up paying your mortgage off years earlier and save yourself thousands.

Debt Consolidation

Well, for some people, debt consolidation loans are the panacea for all ills, and work very well. For many others, this type of loan has been found to come with quite catastrophic side effects, and other forms of debt management would have been better.

To decide if it is right for you, it is probably worth defining what a debt consolidation loan is. A debt consolidation loan is where a series of unsecured loans, including credit card balances as well as personal loans, are paid off by one large amount, which is received in the form of a secured loan, paid back normally over a longer period of time. It is essentially a second mortgage on your home, not just a loan that will pay off all the other bills.

Many companies advertise these loans, with the main selling point being that they will reduce your monthly payments (some companies call it "restructuring" your debt, but it's the same thing). They may also add the other advantage of lending you an extra amount on top of your current debts, so you have a lump sum with which you could buy a car, or improve your home. This is not philanthropy, the more they lend you, the more you have to pay back, and the more money they make.

Do not underestimate the fact that this is a secured debt. You are getting this lending because your financial situation is bad, with your monthly repayments difficult to afford. But the situation could go from bad to worse. Let's say that when you got the lending you had many unsecured debts but were at least employed. You take this type of lending, but lose your job, with no insurance. A secured debt means that your collateral is at risk, and even in a bankruptcy situation can be seized. Even though it is a second mortgage, you could lose your home.

Even if you have every intention to pay off a lending, remember that the best-laid plans may not always work. You probably took out that last credit card intending to pay off the balance each month, but unexpected things happen in life, and could do so once you've taken out this type of lending. If you do go down that route, you have to be very comfortable that should you have an issue with your health, or your employment situation, and perhaps another financial surprise you would still be able to keep up payments. If that isn't clear enough, how about this: This type of lending means you are "betting the house" on your ability to repay your debts. If you feel that is a bet you can win, then it could be the right solution.

Self-Certified Mortgages

Getting a mortgage can be difficult, especially if you are self-employed or have an income that fluctuates from year to year. If you look at it from the lender's point of view, you can see why: although you are putting up a house as security, the lender is still taking a tremendous risk with money that it may itself have to borrow from other banks. For this reason, lenders want to be able to verify that you have the necessary income to pay them back before they lend you thousands of pounds. This can be difficult if you are not a full time employee, and that is why there are self-certified mortgages available. A self-certified mortgage is one in which you provide the bank or mortgage company with a declaration of your own income. While a self-employed mortgage requires you to provide three years of account statements to show how much money you have made, a self-certified mortgage requires far less proof. In essence, you are telling the bank to "trust me," but you do provide some documentation. Here is how the process typically works:

- You provide the lender with a signed declaration of your income. In theory, this should be enough for the lender, but in fact, you will have to back up your claims with some further proof.
- Have your accountant provide a signed certificate stating that you have enough income to pay back the requested amount.
- The lender may also request your past bank statements for an amount of time so they can look at just how much money you have been making.
- Other documents that may assist you in getting a self-certified mortgage include past mortgage or loan statements showing that you have made payments regularly, rent receipts or a reference from your landlord to show that you have paid your rent reliably, and, if applicable, any contracts or letters of reference from clients.
- The lender will also run a credit check on you, so it is important to prepare your credit rating for the future by paying off your credit cards regularly, meeting any loan payments, and guarding yourself against identity theft.

Self-certification mortgages are considered a "higher risk" product by many banks and lenders, so you may have trouble finding one that has competitive terms. In addition, you will probably need a substantial down payment, because most lenders will not offer more than 75 percent of the total value of the loan on a self-certified mortgage. Even with these drawbacks, a self-certified mortgage is a great way to get into the housing market, even if you do not draw a regular pay cheque.

Overseas Mortgages

As the holder of an overseas mortgage, you have to send monthly sums of foreign currency to your lender. But UK banks can be slow and expensive when it comes to transferring these funds overseas…

When you use a high street bank commission and transfer charges can add an extra £35 a month to your payment costs. Many local branches have staff with little or no experience of international transfers. Their mistakes can cause delays and cost you money. What's more, the funds may go through several links in a chain: from local branch to destination branch.

Each link increases the chances of your funds being delayed or even going astray.

Fixed Rate Mortgage

A fixed rate mortgage, as the name suggests, is a mortgage where you repay the same amount every month. This means that for a fixed period of time you will be able to accurately budget your repayments, as you will know exactly how much you are repaying.
Most people opt to fix their repayment rate for between one and five years, though many banks offer longer fixed rate periods. Fixed rate mortgages are particularly popular during periods where it looks likely that interest rates are about to rise. Of course, compared to standard variable rate mortgages, you also risk paying more if interest rates drop once you have taken out a fixed rate mortgage.

If you want to get out of your current fixed rate mortgage and change to a standard variable rate mortgage you will have to bear in mind how much the Early Repayment Charge will be compared to the overall savings you will make.

The amount you pay for your Early Repayment Charge usually will decrease the longer you have had your mortgage. It is important to be wary of very low fixed rate mortgages, as the contract may tie you to the lender's particular standard variable rate for a period following your fixed rate mortgage period. Capped rate mortgages are a special type of mortgage where you will never pay more than a specified upper limit on your repayments. If, however, interest rates drop, then the interest rates you pay on mortgage are also likely to drop.

A discounted rate mortgage is a mortgage where you have a fixed period during which your repayment rate will be reduced. It is important to note that some capped fixed rate mortgages have stipulations, whereby even if rates drop significantly; your mortgage interest rates will not drop, correspondingly, beyond a certain point. This is referred to a 'collar' within the mortgage.

Capped Rate Mortgages

Anyone who remembers the fantastically high interest rates of the 1980s or the stock market crash of the 1990s will tend to be wary about interest rates, especially the rates on the largest loan most people will ever take out. Capped rate mortgages are a great way to insure that you will never be hit by a high mortgage interest rate if the economy should collapse. With a capped rate mortgage, the interest rate never climbs beyond a set limit (the “cap”). This means that for however long your mortgage term lasts you will never pay a higher interest rate than the cap.

The advantage to this type of mortgage is clear. If mortgage rates go up past the capped rate, you will save a tremendous amount of money on interest charges. The other chief feature of most capped rate mortgages is that if interest rates go down, you will pay a lower than the capped rate. Essentially, a capped rate mortgage is like a variable rate mortgage, in that its rate is calculated at a certain percentage above the Bank of England Base Rate or the lender’s standard rate. The only difference is that if interest rates rise, you will not have to pay more than the capped rate for the duration of your mortgage term.

A capped rate mortgage is a good compromise between a tracker mortgage and a fixed rate mortgage, particularly if you have a low risk tolerance for interest rate changes. A capped rate mortgage offers some money saving opportunities should interest rates remain low, while at the same time ensuring that you never have to pay more than the capped rate.

The downside to choosing a capped rate mortgage is that interest rates for these products are generally higher than the fixed or variable rates offered by lenders. While you may be able to lock in for five years at 6.5%, for example, your capped rate may be 7%. This will not make any difference if rates remain low and you are paying less than 6.5%, but if rates go up you would have been better off with the fixed rate mortgage.

At the same time, if rates stay low for the entire term of your mortgage you will have been paying a higher rate against the possibility that rates may go up when you could have saved money on a variable rate mortgage. Your choice of mortgage products is always just that - a choice. You have to choose the product that best suits your tolerance as well as your assessment of what rates are going to do during your mortgage term. If you want the added security of knowing your rate will never skyrocket, but still want to capitalize on low rates, then a capped rate mortgage may be right for you.

Flexible Mortgages

Mortgages were once onerous things that bound the borrower to pay a certain amount to a bank each month, without fail. The word "mortgage" has its roots in the French language, and means "death guarantee." However, today's mortgages offer a degree of choice rarely seen 20 or even 10 years ago.

One of the most dynamic mortgage products available on the market today is the flexible mortgage. Flexible mortgages give borrowers a high degree of choice as to when and how much they want to repay on their mortgage. With a flexible mortgage, you can make extra payments or skip payments if you need to. The flexible mortgage is perfect for those who make extra money at certain times of the year, because it gives the option to pay down your principal much more quickly than a regular mortgage. Self-employed people, people who may have to relocate unexpectedly, or seasonal employees will find a flexible mortgage extremely helpful, especially if they often experience periods of extremely high or low income.

There are many degrees of flexibility available in today's mortgages. For example, some mortgages will allow a lump sum payment of 10 percent or more every year, while others may allow you to skip the principal payment in any given month in order to save money to pay other bills. However, a truly flexible mortgage has the following characteristics:

- *Interest calculated daily* - Many mortgages have interest calculated annually, which means that you pay interest based on the previous year's balance. A mortgage that bases interest calculations on a day-to-day balance of the loan allows you to pay less interest, especially if you make a lump-sum payment.
- *Complete lump-sum payment freedom* - With a flexible mortgage, you can make a lump sum payment of any amount at any time without having to pay a penalty. This helps you pay off your mortgage faster and pay less interest.
- *Take a break* - A flexible mortgage rewards you for making extra payments by letting you take a few months from your mortgage payment.
- *No fees* - With a flexible mortgage you will not be have an Early Repayment Charge if you decide to pay off all or part of your mortgage. You will also not be charged fees if you decide to re-mortgage your home to take advantage of a lower rate elsewhere.
- *Underpay* - If you do not want to take a break completely, a flexible mortgage should allow you to pay less than your regular payment if you have made an overpayment in the past.
- *Borrow from yourself* - If you do make a lump sum payment, you should be able to borrow it back at a later time. This allows you to put extra money on your mortgage to save interest when you have extra cash and still be able to feed yourself during leaner times.

Variable Mortgage Base Rate

Most lenders have what's known as a variable mortgage base rate. As the name suggests, the rate of interest can vary upwards or downwards. Eventually the vast majority of borrowers will pay this rate, so even if you initially opt for a special deal, you should take note of it.

Stepped Rate Mortgages

Stepped rate mortgages are a great way to save money, especially for people who want to minimize their monthly mortgage payments when they first buy their home. A stepped rate mortgage offers different interest rates during the term of the mortgage. Most stepped rate mortgages offer a discount rate to begin with, which rises after a certain time, and then rises again.

Other stepped rate mortgages start with a higher interest rate, which gradually decreases over the term of the mortgage. A stepped rate mortgage with a five-year term may have as many as 10 different interest rates during that time, which offers the borrower several different interest rate options over the five-year period. There are a few different types of stepped rate mortgages, each geared for a specific type of homebuyer:

- Stepped with cash back - This type of stepped rate mortgage is geared toward first time buyers who are short of money. Typically, they offer a .5% or 1% cash back bonus, coupled with an initial rate that is discounted off the bank’s usual mortgage rates. This rate will gradually rise to match or be slightly higher than the usual rates. The cash can be used for any moving expenses, or can often be used to pay down the principal of the mortgage.
- Stepped tracker - These stepped rate mortgages are designed for the buyer who wants to keep their payment as low as possible. The interest rate is tied to the Bank of England Base Rate, which fluctuates throughout the term of the mortgage. For example, for the first six months it may be .5% higher than the base rate, then 1% higher for a year, and so on. These stepped rate mortgages are good if you do not mind gambling that the base rate will stay low.
- Fixed steps - This is a lower-risk type of stepped rate mortgage, and is good for buyers who want to be sure of their interest rate throughout the term of their mortgage. In either descending or ascending steps, the mortgage will go through several different predetermined interest rate changes. This is a good fit for people who want to know precisely what their payment will be throughout their mortgage term.

When you are shopping for a stepped rate mortgage, be sure to look at what sorts of Early Repayment Charges exist for that product. Many stepped rate mortgages will make you pay a hefty price for trying to re-mortgage after the first (and lowest) interest rate expires. You want the most flexible product possible in order to be able to take advantage of changing market conditions throughout the term of your mortgage.

Mortgage Protection Insurance

Mortgage Protection Insurance is designed to protect your mortgage payments and insurance premiums in the event that you become unemployed or suffer a disability as a result of an accident or through sickness. Generally, mortgage protection insurance provides payments for up to 12 months while you are recovering or looking for alternative employment.

Most policies have a deferral period outlined in their policy prior to paying out the first mortgage repayment; this varies between providers though tends be a calendar month. It is important to budget this deferral period into your finances.

Many lenders often offer their own mortgage protection insurance in conjunction with their mortgage policies. It is always a good idea to compare several mortgage insurance providers first before choosing a particular insurance provider. You are not legally obliged to purchase mortgage insurance protection from your mortgage lender, nor is it a legal requirement to have mortgage protection insurance if you have a mortgage. The advantages of mortgage protection insurance are manifold. By protecting your mortgage repayments with a mortgage insurance policy, you are able to protect your home against possible repossession. Mortgage repayments usually constitute the largest portion of an individual or family's monthly outgoings. In the event that you cannot meet the repayments due to unemployment or illness, then you can be assured that your property will remain safe. Without mortgage insurance protection you will be reliant upon the state benefit, which may not cover your full mortgage repayments.

Mortgage Shopping Tips

Buying a home can be one of the most exciting, and most nerve wracking, decisions of your life. There are many different things to consider, such as, can I (we) afford it, what type of mortgage should I get, should we buy now or wait for better interest rates, and should we choose a fixed interest rate or take a chance that rates will go lower? Buying a home can be a difficult time, but there are a few tips that can make finding the best mortgage and buying your home a little bit easier.

Figure out how much you have to spend - This includes your down payment, which should be at least 10 percent of the purchase price of your home. You should also calculate just how much you can spend each month on a mortgage payment. Your mortgage payment should be much less than your net income minus all of your monthly expenses – a cushion is essential to cover any unanticipated costs. Assess your own tolerance level - Are you a risk-taker, or are you more comfortable with knowing what you will be paying each month for the next three, four, or five years? The answer to this question will help you decide whether you want a fixed- or variable rate mortgage.

Shop around - There are lenders literally falling all over themselves to attract new customers, so there are many different mortgage products offering a variety of great deals. Even if you have been with a bank for several years, it may save you thousands of pounds to go with another lender, so do not be afraid to choose the best deal. Mortgage customers have more power today than ever before, because banks are vying for your business. Therefore, remember that you are in charge, and can demand the very best deal:

- Check out the Early Repayment Charges on any mortgage product you negotiate. If you want to have the best mortgage deal, you will want to be able to renegotiate your mortgage whenever you like. Even if you have to accept a few charges, you may still be able to save money in the future by re-mortgaging your home.
- Make sure the home you buy is sound - Have a structural inspection completed in every case to ensure that you are not taking on a home that has hidden damage. Even if you have a good insurance policy, it may not cover damage, such as to a roof or patio that is found to have existed before you bought your home. There are many things to consider when you are about to buy a home, so be sure to do your research and shop around for the best deal.

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