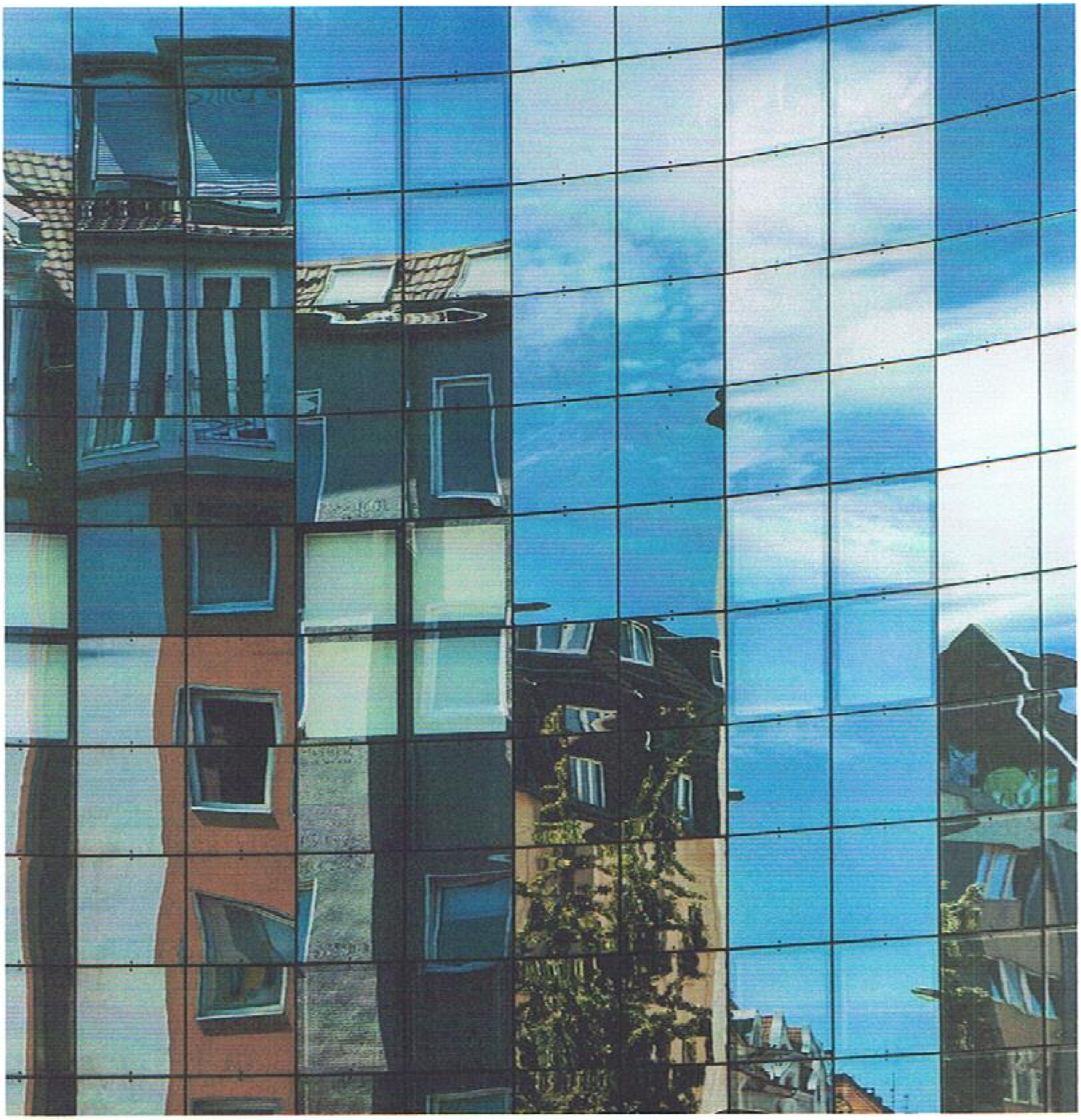
Viewpoint



The value of mortgage advice
Why it pays to use a qualified mortgage adviser.

Protecting your mortgage repayments
How would you pay your mortgage if you stopped earning?

Thinking of fixing your mortgage?
The pros and cons of moving off your Standard Variable Rate.

The value of mortgage advice

With so many mortgage lenders offering their products on the high street and online, it can be tempting to cut out the middleman and 'go direct'.

If you're looking for a new mortgage, we'd love to help.

But when you're making such an important financial commitment, the guidance you can get from a qualified mortgage adviser can be invaluable. Here are five ways we can make a difference to your mortgage search:

1. We know what a good deal looks like

We have access to a wide range of well-known lenders and thousands of mortgage deals, so we can find a rate that suits you. But we also look beyond the rate. Lender administration and booking fees, length and type of loan, valuation costs and repayment methods can all affect the total amount you pay. By considering all these elements, we can recommend a solution tailored to your individual circumstances.

2. We know the market

If your needs or circumstances are 'out of the ordinary', it may be much harder for you to find a mortgage now than it was a few years ago. This is particularly true if you're self-employed or a small deposit, or are borrowing into retirement. We can save you the time and hassle of trawling the market, and help you find a lender willing to provide your loan.

3. We'll do the hard work for you

Selecting the most appropriate mortgage is just the start. We'll work with you to complete all the necessary application forms, liaise on your behalf with solicitors, valuers and surveyors, and help to make the process as smooth as possible.

4. We're professionally qualified

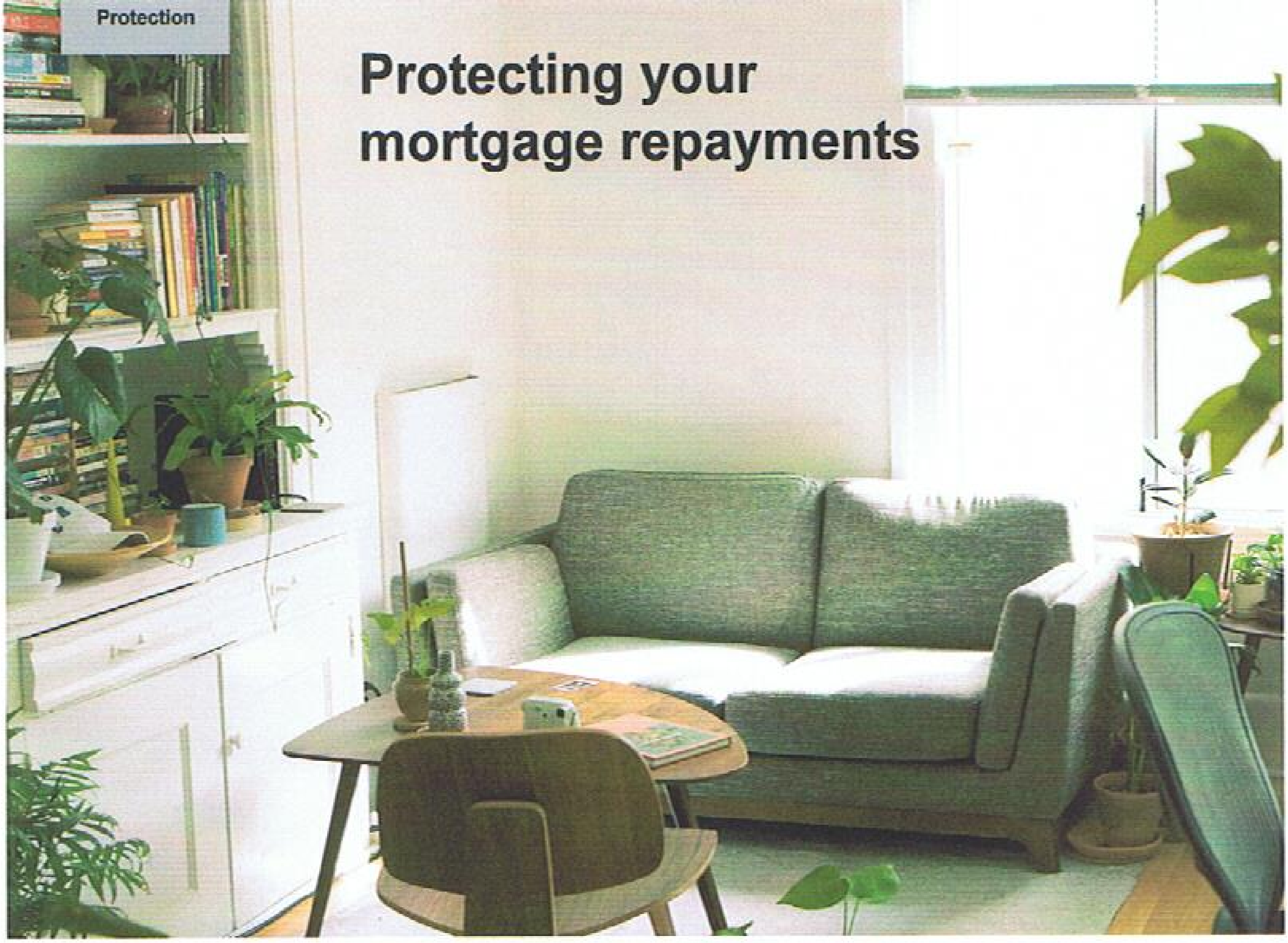
Unlike many branch and telephone-based mortgage sellers in banks and building societies, we're qualified to advise you on a broad range of lenders and products. This means you benefit from genuine choice coupled with quality advice.

5. We go beyond the mortgage

We can help you safeguard your investment in your home by advising on a range of products that can financially protect your home, and your family, should the worst happen.

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

Protecting your mortgage repayments



We think protection advice is imperative when you have a home or family you want to protect. So, talk to us about a mortgage and we'll talk to you about life cover.

Choosing to protect yourself

When you take out a mortgage through us, we'll ask if you want to take out protection as well. What's more, we will analyse your lifestyle and any protection shortfall and recommend a protection plan that will help protect you and your family from the financial consequences of serious illness or death.

Buying a house could be one of the biggest financial commitments you'll make: getting a deposit together can wipe out your savings and paying your mortgage will take a chunk out of your income. So how would your family continue to meet this commitment if you stopped earning?

When taking out a mortgage, it's essential to consider how you would continue to cover your mortgage payments if you fell ill or died unexpectedly. There are a number of ways you can do this:

Life Insurance

If you died suddenly, a Life Insurance policy would pay out a cash sum to your dependents. They could use this to pay off their mortgage and keep the roof over their heads.

Mortgage Payment Protection Insurance (MPPI)

Also known as Accident Sickness and Unemployment (ASU) cover, MPPI covers your mortgage related repayments if you can't work because of redundancy, accident or ill-health. Benefits are usually paid for 12 months although some providers offer 24 months' cover.

Critical Illness Insurance

Critical Illness Insurance pays out a lump sum if you're diagnosed with a specified critical illness such as cancer, stroke or heart attack. You can use the cash payout to clear your mortgage, pay for medical treatment, take time to recuperate or anything else you choose.

Income Protection

Income Protection can replace part of your income if you're unable to work for a long time due to illness or disability. It will pay out until you return to work or the policy ends – whichever happens first. Income Protection plans usually have a waiting period before the benefit becomes payable.

Thinking of fixing your mortgage?

If you think an increase in your mortgage repayments could have a negative impact on your lifestyle or financial wellbeing, you may want to consider fixing your mortgage.

Don't be drawn into trying to second guess what will happen with interest rates over the coming years. We can help you come to the most appropriate decision for your next mortgage.

With a fixed rate mortgage, your payments are set at a certain level for an agreed period, regardless of whether your lender changes its Standard Variable Rate (SVR). Such an increase typically occurs when the Bank of England Base Rate starts to climb.

Fixed rate mortgages can offer protection from rate rises for an agreed period, but there are several considerations you'll need to think about before making your decision.

Predictable repayments – but you won't benefit from rate cuts

With a tracker mortgage, your monthly payment fluctuates in line with a rate that's equal to, higher, or lower than a chosen Base Rate (usually the Bank of England Base Rate). The rate charged on the mortgage 'tracks' that rate, usually for a set period of two to three years.

Tracker rates might be more appealing if you don't have a fixed budget and can tolerate higher mortgage payments if rates rise, whilst being able to benefit from reduced monthly mortgage payments if rates go down.

But with a fixed rate mortgage, the rate (and therefore your repayments) will stay the same for an agreed period. A fixed rate mortgage makes budgeting much easier because your payments will not change – even if interest rates go up. However, it also means you won't benefit if rates go down.

Longer fixed terms will be more expensive

If you choose a fixed rate mortgage, you'll need to decide how long you want your fixed rate to last. Two-year fixed rate mortgages typically offer the lowest initial interest rate. If you want to fix your interest rate for longer, you will probably pay more for that longer-term security. This may be worthwhile in return for predictable repayments, or you might choose to take the lower rate for a shorter timeframe if you expect that your financial position will improve by the time the deal ends.

A change in circumstances could cost you

Do you have any *known* changes on the horizon that will have an impact on your mortgage?

With a fixed rate mortgage, you could face an early repayment charge if you repay all or a certain percentage of the mortgage during the fixed rate period.

If you have no known changes and want to benefit from a longer period of security, then a longer term fixed rate of five years may appeal. It might cost more initially, but you'll benefit from knowing that your budget is fixed for that period.

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

David Davis
52 Daytona Quay
Sovereign Harbour South
Eastbourne
East Sussex
BN23 5BN

01323 371989
david.davis@openwork.uk.com