A COMPLETE GUIDE TO

MORTGAGES

Clear, practical guidance for first-time buyers, home movers, and remortgage clients.

Your mortgage journey, explained

Use this guide to understand the main decisions, prepare the right information and know what to expect. Your adviser will then help you apply the guidance to your own needs and circumstances.

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IMPORTANT: A mortgage is a loan secured against your home. Your home may be repossessed if you do not keep up repayments on your mortgage or any other debt secured on it.

Welcome

A practical starting point for confident mortgage decisions

Whether you are buying your first home, moving, investing in property or reviewing an existing mortgage, the process can involve unfamiliar choices, paperwork and costs. This guide explains the essentials in plain English and shows where professional advice can help.

What this guide does

It explains common mortgage types, affordability, deposits, the buying and remortgage process, fees, surveys, legal work and protection. It does not replace personalised advice, a lender's assessment, legal advice or tax advice.

Choose the route that matches you

Your journey	Start with
First-time buyer	Deposit and affordability; costs of buying; Agreement in Principle; surveys and conveyancing.
Home mover	Sale and purchase timing; porting; early repayment charges; affordability for the new loan.
Remortgage client	Current deal end date; product transfer versus new lender; fees, valuation and legal work.
Buy-to-let client	Rental assessment; deposit; tax and ownership structure; regulated versus business buy-to-let.

How we will help

- Understand your objectives, priorities, and budget.
- Review affordability and lender criteria.
- Research suitable options across the market available to us.
- Explain the recommendation, costs, risks, and next steps.
- Support the application through offer and to completion.

1. How much could you borrow?

Affordability is personal and lender-specific

Lenders do not rely on one simple income multiple. They assess income, committed expenditure, debts, dependents, credit history, the mortgage term, and how payments could change. Different lenders can reach different outcomes from the same information.

What usually affects affordability

Area	Examples
Income	Basic pay, overtime, bonus, commission, self-employed profits, pension or other accepted income.
Commitments	Loans, credit cards, childcare, maintenance, student loans, lease payments and regular spending.
Household	Number of applicants, dependants, property costs and expected changes.
Loan design	Deposit, term, repayment method, interest rate and whether additional borrowing is required.
Credit profile	Payment history, current borrowing, electoral roll information and recent applications.

Important

An Agreement in Principle is useful evidence of likely borrowing, but it is not a mortgage offer and does not guarantee approval. The property and the full application must still be assessed.

Prepare before property viewings

- Review your credit reports and query anything inaccurate.
- Avoid taking new credit unless necessary.
- Keep bank conduct stable and avoid unexplained large transfers.
- Build a budget that includes buying costs and contingency.
- Gather income, deposit, and identity evidence early.

2. Deposit, equity and loan-to-value

Why the amount you contribute matters

Loan-to-value, usually shortened to LTV, is the mortgage as a percentage of the property value or purchase price used by the lender. A lower LTV can widen the choice of products and may reduce the interest rate, although the overall deal still depends on fees, criteria and your circumstances.

Simple example

On a £250,000 purchase with a £25,000 deposit, the mortgage would be £225,000 and the LTV would be 90%.

Where a deposit may come from

- Your own savings or investments.
- A gift from family, subject to evidence and lender requirements.
- Equity from the sale of an existing property.
- An accepted scheme or shared ownership arrangement.

Lenders, solicitors, and conveyancers will need to understand the source of funds and may request statements and supporting evidence. Do not commit to a non-refundable payment until the position has been checked.

Keep money aside

Avoid using every available pound as the deposit. Retain a sensible allowance for legal work, survey costs, tax, moving, immediate repairs, furnishing and emergency reserves.

3. How mortgages work

Repayment methods and interest rate options

Repayment basis

Basis	How it works	Key point
Repayment	Each payment includes interest and some capital.	If all payments are made, the loan is designed to be repaid by the end of the term.
Interest-only	Payments cover interest, while the capital remains outstanding.	You need an acceptable and credible repayment strategy for the capital.
Part and part	Part of the loan is repayment and part is interest-only.	A repayment strategy is still needed for the interest-only element.

Interest rate options

Type	What it means
Fixed rate	The rate and contractual payment are fixed for an agreed period.
Tracker	The rate follows a specified external rate, commonly Bank Rate, plus or minus a margin.
Discount	A variable discount from the lender's standard variable rate for a set period.
Standard variable rate	The lender's variable rate, which it may change in line with its terms.
Offset	Eligible savings are linked to the mortgage and reduce the balance on which interest is calculated.

Look beyond the headline rate

Compare the initial rate, product fee, incentives, early repayment charge, flexibility, follow-on rate and total cost over the period that matters to you.

4. The buying process

From preparation to getting the keys

Stage	What happens
1. Prepare	Set a budget, review credit, gather documents and discuss affordability.
2. Agreement in Principle	A lender indication based on initial information and usually a credit search.
3. Find a property	View, assess running costs and make an offer subject to contract.
4. Apply	Your adviser submits the full mortgage application and supporting evidence.
5. Valuation and underwriting	The lender assesses you, the property and the proposed loan.
6. Mortgage offer	The formal offer sets out the approved loan and conditions.
7. Legal work	Your conveyancer completes searches, enquiries and title checks.
8. Exchange and completion	You become legally committed at exchange in England and Wales; funds and ownership transfer at completion.

Scotland and Northern Ireland

The legal process and property taxes differ across the UK. Ask your solicitor or conveyancer to explain the rules that apply to the property location.

Documents commonly requested

- Proof of identity and address.

- Recent payslips, P60s, accounts, tax calculations or business documents as relevant.
- Bank statements and evidence of deposit.
- Details of loans, credit commitments, and other properties.
- Property particulars and solicitor or conveyancer details.

5. Costs to plan for

Build a realistic budget before you commit

Cost	What to check
Deposit	Amount, source and when funds must be available.
Product or arrangement fee	Whether paid upfront or added to the loan. Adding it means paying interest on it.
Valuation	The lender's valuation cost and whether any incentive applies.
Survey	The buyer's independent assessment of condition.
Legal work	Conveyancing, searches, Land Registry costs and bank transfer charges.
Property tax	SDLT in England and Northern Ireland, LBTT in Scotland, or LTT in Wales.
Moving and setup	Removals, storage, utilities, furniture and immediate works.
Broker fee	Any fee and when it becomes payable will be disclosed separately.

Current SDLT headline position

For England and Northern Ireland, standard residential SDLT is charged in bands. First-time buyer relief currently gives 0% on the first £300,000 and 5% on the portion from £300,001 to £500,000, provided the qualifying conditions are met. If the price is over £500,000, relief is not available.

Additional property purchases usually attract a 5 percentage-point supplement. Rates and eligibility can change, so use the official calculator or obtain legal or tax advice before relying on a figure.

Avoid false economy

A mortgage with cashback or free valuation is not automatically the lowest-cost option. Compare the full package.

6. Valuations, surveys and legal work

Three different jobs, each protecting a different interest

Mortgage valuation

A mortgage valuation is primarily for the lender to assess whether the property is acceptable security. It is not a detailed condition report for you.

RICS Home Surveys

Level	Typical use
Level 1	A concise condition overview for a conventional property that appears to be in reasonable condition.
Level 2	More detail on condition and defects, generally for conventional properties.
Level 3	The most detailed assessment, often suitable for older, altered, unusual or visibly poor-condition properties.

The right level depends on the property's age, type, construction, condition, and your plans. Confirm the scope directly with the surveyor.

What the conveyancer does

- Checks ownership, title, restrictions and rights.
- Orders and reviews relevant searches.
- Raises enquiries with the seller's conveyancer.
- Explains the contract and mortgage deed.
- Handles exchange, completion, property tax filing and registration.

Leasehold and specialist property

Ask early about lease length, service charges, ground rent, planned major works, cladding or building safety information, restrictive covenants and unusual construction.

7. Remortgaging and borrowing more

Review early and compare the available routes

A remortgage replaces your current mortgage with a new one, often with a different lender. A product transfer changes the deal with your existing lender. Additional borrowing may also be available through a further advance or a separate second charge loan.

Option	Potential advantage	Points to consider
Product transfer	Often simpler and may involve less underwriting.	May not be the best overall deal; options depend on the existing lender.
Remortgage	Access to another lender and potentially a different product.	Affordability, valuation, legal work, fees and early repayment charges.
Further advance	Keeps borrowing with the current lender.	May be on a different rate and end date from the main mortgage.
Second charge	Can preserve an existing first mortgage.	A separate secured loan with its own rate, fees and risks.

Review checklist

- Current balance, rate, payment, and remaining term.
- Deal end date and early repayment charge.
- Updated property value and available equity.
- Purpose and amount of any additional borrowing.
- Changes to income, expenditure, credit, or household plans.
- Whether you expect to move, overpay, or repay early.

8. Buy-to-let essentials

Treat the property as an investment, not only a mortgage

Buy-to-let lending commonly places greater emphasis on expected rent and rental coverage, alongside your circumstances and the property. Deposits are often larger than for residential borrowing. Some buy-to-let mortgages are regulated and others are business lending.

Questions to consider

- Expected rent, void periods, maintenance and letting costs.
- Interest rate, fees, repayment basis and capital repayment strategy.
- Property type, tenant demand and local licensing requirements.
- Personal ownership versus a limited company structure.
- Income tax, capital gains tax, SDLT or other property taxes.

- Insurance, safety obligations and contingency reserves.

Tax and legal advice

Mortgage advice does not replace specialist tax or legal advice. Ownership structure should be considered before purchase because changing it later can create costs and tax consequences.

9. Flexibility, overpayments and payment difficulty

Understand the rules before you need them

Feature	Check the detail
Overpayments	Annual allowance, minimum payment and whether an early repayment charge applies.
Portability	Whether the product may be transferred, subject to a fresh application, affordability and property assessment.
Payment changes	Whether the mortgage permits term changes, payment holidays or other variations, and on what conditions.
Early repayment charge	The amount, period and events that trigger it.
Underpayments	Whether previous overpayments are required and how interest is affected.

If you are worried about payments

Contact your lender as early as possible. Discussing support does not itself affect your credit score, although any agreed solution and missed payments can have different consequences. Ask the lender to explain the effect before agreeing a change.

Do not ignore letters or wait for arrears to build. You can also seek free, independent debt guidance if needed.

10. Protecting your home and income

The mortgage is only affordable while the household plan works

A mortgage recommendation considers how you will fund the property. A separate protection review considers what could happen if death, serious illness, injury, long-term sickness or unemployment disrupted that plan.

Area	Purpose
Buildings insurance	Protects the structure and is normally required by the lender from the appropriate point in the transaction.
Contents insurance	Protects belongings against insured events and can include optional cover away from home.
Life cover	Can provide a lump sum or income following death during the policy term.
Critical or serious illness cover	Can pay a benefit if a defined condition and policy criteria are met.
Income protection	Can replace part of income if illness or injury prevents work, subject to policy terms.
Unemployment cover	May provide short-term support following qualifying involuntary unemployment.

Our approach

We will explain the risks, review existing arrangements, and discuss priorities and affordability within our Sustainability & Risk Report.

Recommendations are personal and optional, but any decision not to proceed should be informed and recorded.

11. Your practical checklist

A simple portal-ready action plan

Before advice

- Set your comfortable monthly budget, not only the maximum possible loan.
- List income, commitments and planned changes accurately.
- Identify your deposit source and keep the evidence.
- Find your current mortgage statement if remortgaging or moving.

Before application

- Check names, addresses, and dates across documents.
- Send complete, legible evidence promptly.
- Tell your adviser about adverse credit, gifted deposits, unusual property features, or expected changes.
- Avoid new borrowing or material financial changes without discussing the impact.

Before exchange or completion

- Read the mortgage offer and legal report.
- Confirm the survey and any recommended specialist reports.
- Ensure deposit, tax and completion funds are available.
- Arrange buildings insurance when required.
- Check direct debit, completion date, and moving arrangements.

Useful terms

Term	Plain-English meaning
AIP / DIP	An initial lender indication, not a binding mortgage offer.
APR / APRC	A standardised measure intended to help compare borrowing cost across the assumed term.
ERC	A charge that may apply if you repay or change the mortgage during a specified period.
LTV	Loan amount as a percentage of the lender's accepted property value.
SVR	The lender's standard variable rate.
Completion	The point at which purchase funds transfer and legal ownership changes.

We are here to help

Clear advice, practical support and a guided journey

The right mortgage is not simply the lowest advertised rate. It should fit your objectives, budget, likely changes and preferred level of certainty and flexibility. We will help you understand the choices, recommend a suitable route and support you through the process.

Your next step

Complete the relevant portal fact find and upload the requested documents. If anything is unclear, contact your adviser before making a financial or legal commitment.

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This guide provides general information only and does not constitute personal, legal, or tax advice. Mortgage availability and lender criteria are subject to change. The information was reviewed in September 2026.

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