



## First Time Buyers Guide



Your first time purchase  
made simple

## Would you like to know how to buy your first home? We can help you - and make it easy to understand!

### Who we are

**Simply Mortgages is a family run business offering mortgage and protection advice based in Preston.**

Leading the business is Steven Haley. Steven is a fully qualified mortgage and protection adviser who has 11 years' experience in the mortgage, protection, banking and estate agency sectors.

With a depth of knowledge and experience Steven offers impartial and honest advice from a panel of over 50 lenders. Steven will work with you to fully understand your individual needs and circumstances, be that to arrange a mortgage, to protect your family's financial future or to protect your own income.

Steven's aim is to take the worry out of finding the right mortgage for you and do this in a friendly yet professional and clear way.

Steven is joined in the business by his partner Emma who takes care of all the administrative duties and clients application process.

Here at Simply Mortgages we are dedicated to ensuring that our client's mortgage and protection needs are met through a friendly, helpful and honest service.

### How we will help you on your journey...

- Equip you for your mortgage and protection journey ahead
- Highlight and explain the costs involved
- Select a suitable lender and mortgage product that meets your needs
- Confirm your borrowing potential to make an offer on your new home
- Help protect you and your family against unexpected events
- Help process your paperwork to ensure a seamless application
- Keep you updated every step of the way
- Provide support for all your property needs, both now and in the future

### What is a mortgage?

**The majority of buyers require a loan to purchase property. This loan is known as a mortgage.**

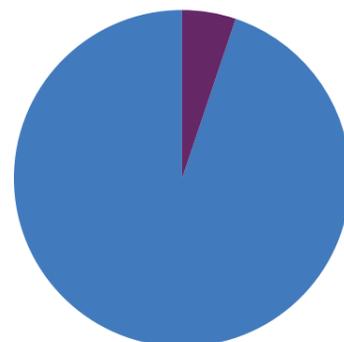
Mortgages can be obtained from banks, building societies and mortgage lenders. They will assess your circumstances and lend you an amount that you can realistically afford to repay. They will charge interest on the loan and you will have an agreed time span (mortgage term) to repay the amount borrowed. It is important to understand that the interest rate can and will change over the duration of the loan.

### Deposits

Usually the lender will want to see that you can provide a deposit. However, that deposit may be as little as 5% of the property's market value. If you are able to raise a 5% deposit, you will be looking at a mortgage with 95% loan to value (LTV). Loan to value is the loan amount expressed as a percentage of the property value.

When buying your first home, it is important that you choose a mortgage that you are comfortable with. With so many lenders and mortgage products available, it's easy to become confused.

**That's why we are here to help.**



£5,000 deposit  
£95,000 loan

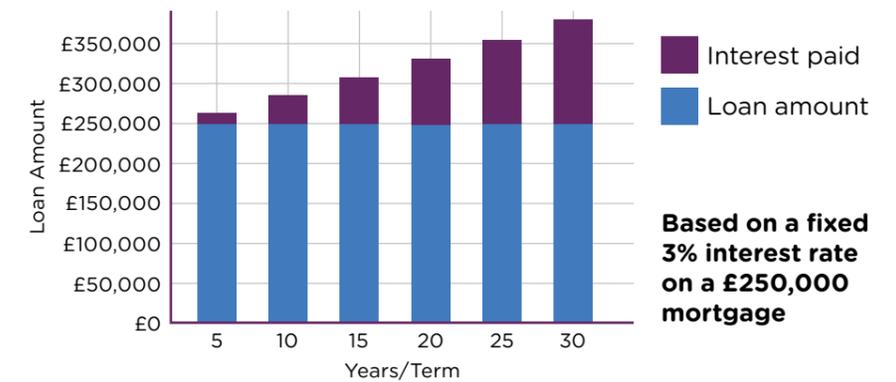
### There are several key things to consider when choosing your mortgage

How much can you afford to borrow and repay on a monthly basis? How long should your mortgage term be? Which repayment option is best for you? Which type of mortgage is most suitable for your circumstances? How much to borrow the amount you are able to borrow is dependent on a number of factors, so you will need to consider the cost of moving, your monthly income and expenditure and your credit history.

### Mortgage term

Your Mortgage and Protection Consultant can help you to find the right number of years (term) over which to repay your mortgage.

If you spread your mortgage over a longer term, your monthly repayments will be lower. However, please note that the longer your mortgage term, the more interest you will have to pay the lender.



### Types of mortgage

There are several options to consider, each has their advantages and disadvantages.

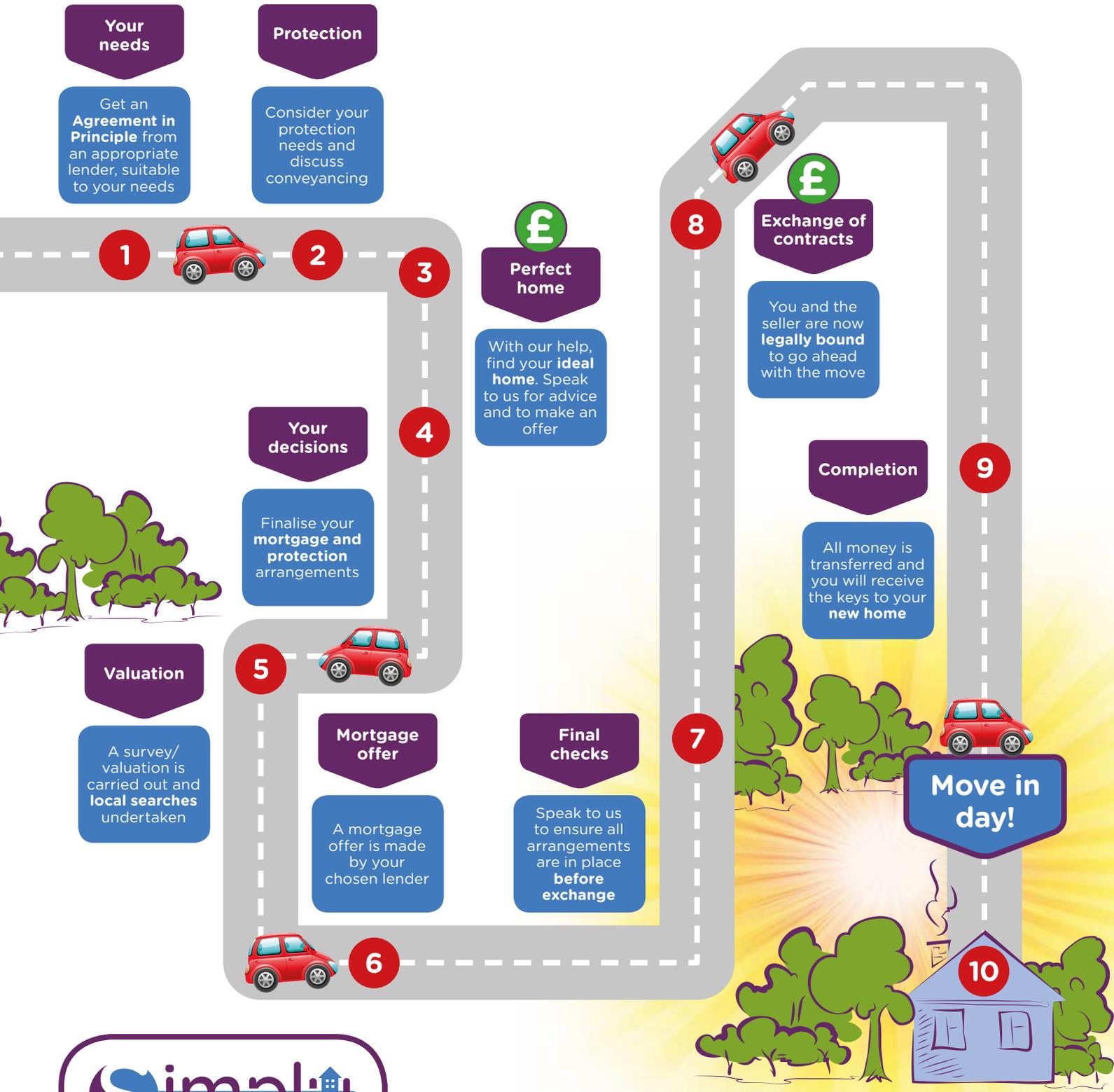
Type	Description	Advantages	Disadvantages
<b>Fixed</b>	The same monthly payments for the initial period (usually 2, 3 or 5 years). After this period, the rate usually reverts to a variable rate. Easy to plan as exact costs known	Payments cannot increase during the initial fixed period	During the fixed period, payments cannot decrease and early repayment charges may apply
<b>Variable</b>	The rate will be driven largely by the economy and the market. The lender decides their current rate, which you pay - this does change	You may benefit from rate reductions and pay less each month. No early repayment charges during the term	Rates may increase and therefore you will pay more each month. Hard to budget
<b>Tracker</b>	The rate charged is a certain percentage above or below the Bank of England Base Rate for a period of time	Immediate rate reductions = you pay less. Payments reflect the interest rates of the time	Immediate rate increases = you pay more. There is no protection from this. Hard to budget
<b>Capped</b>	This has an upper limit (the cap) for the interest rate but not a lower limit. They are normally a type of variable mortgage	You get the security of knowing that your payments won't go above a certain level but they can go down if interest rates reduce	Capped rates can be more expensive than the best tracker or discounted rates; you pay for the security of an upper limit

### Is there more you need to consider?

- Some mortgages carry early repayment charges.
- Some mortgages are more flexible in that they are portable, they include repayment holidays, or allow you to make under/overpayments.
- Some mortgages have booking and/or arrangement fees.
- Some mortgages include a charge for the valuation on your home. Some mortgages offer cashback, which can be used to help pay for other fees.

# Your mortgage and protection journey

We're here for you every step of the way, ensuring the process is as simple as possible.



**YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE AND OTHER DEBTS SECURED AGAINST IT**

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