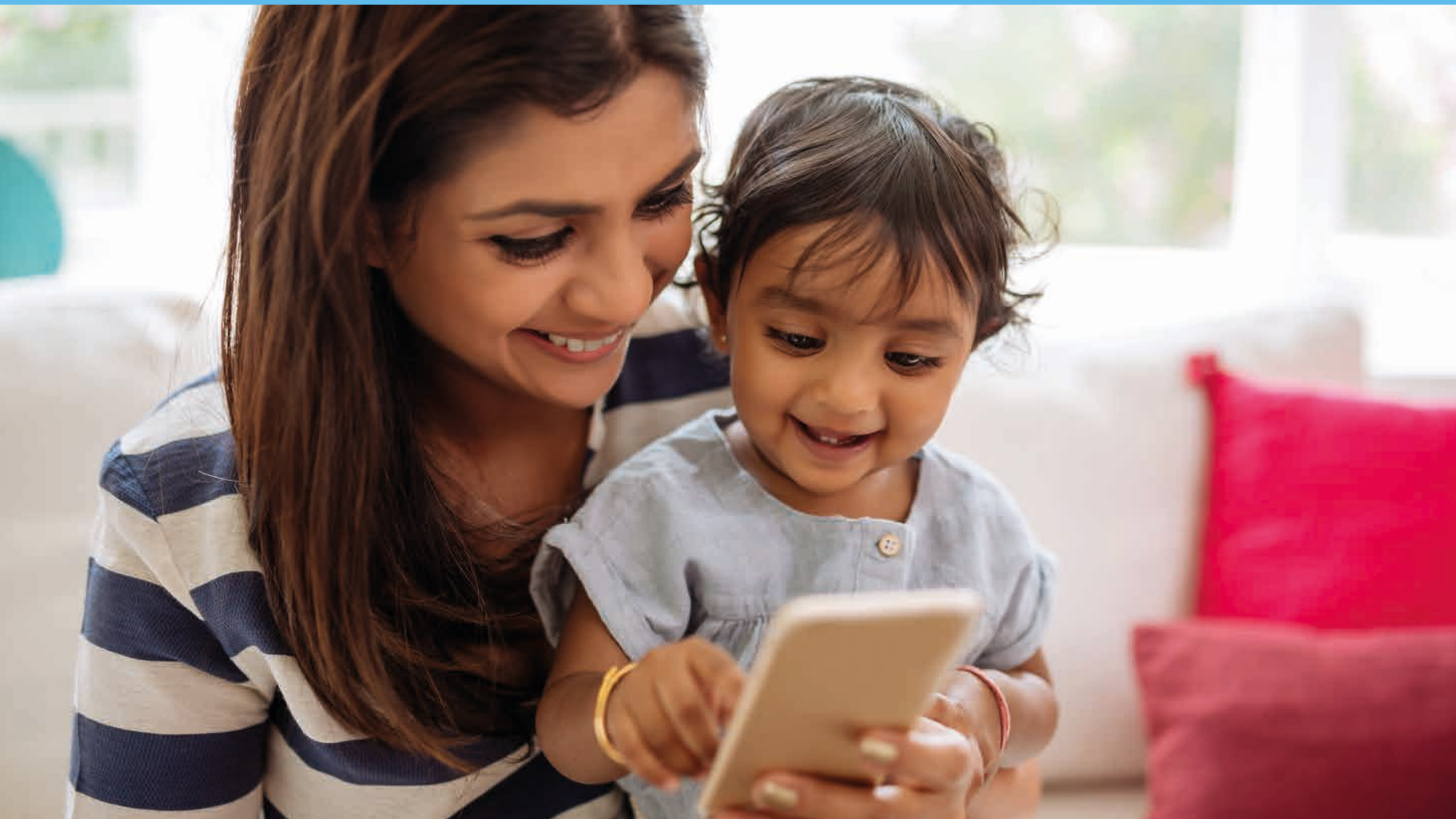
Remortgage guide

Let us help you every step of the way.

Countrywide



Thinking about remortgaging?

This quick reference guide aims to walk you through the steps involved in the remortgage process, giving you information and guidance in plain English. Any terms coloured in green are fully explained in the glossary.

Why ask us?
Countrywide Mortgage Services is part of Countrywide, the UK's largest property services group, with a network of professional Mortgage and Protection Consultants based in branches across the UK. We don't provide mortgages ourselves; our role is to understand your requirements and recommend the best products from a range of mortgage lenders.

Can you expect unbiased advice?
Yes. Treating our customers fairly has always been at the heart of how we do business.

We are committed to ensuring that you are treated fairly at every stage of your dealings with us, now and in the future.

A fee will be payable for arranging your mortgage. Your Consultant will confirm the amount before you choose to proceed.

Mortgage availability is subject to your individual circumstances.

www.countrywide.co.uk/mortgages/

Things to consider

Remortgaging is the process of transferring your current mortgage to another lender without moving home. In some instances, it may be more suitable to remain with your current lender.

The offer of a remortgage deal with a lower interest rate may be tempting but there are a number of things to consider before you remortgage to make sure you are getting a good deal.

Existing mortgage arrangements

Check the cost of exiting your existing mortgage as, depending on your mortgage, early repayment charges (ERCs) may apply. Your Mortgage and Protection Consultant will be able to explain this in more detail to you.

Remortgage arrangements

Remortgaging can involve fewer costs than those incurred when buying a property, since in most cases charges either won't apply or will be lower than when you purchased.

- Stamp Duty Land Tax /Land Transaction Tax – You won't normally be liable for this when remortgaging.
- Legal fees – As the legal process for remortgaging is simpler than purchasing, the costs are lower. Some lenders will cover the legal costs, usually through their recommended solicitors.
- Valuation – A valuation is a requirement for your remortgage and you may be charged for this. However, many lenders include it free of charge.
- Cashback – Some remortgages will offer cashback, which can be used to help pay for fees.
- Other costs – Other costs may apply; your Mortgage and Protection Consultant will discuss these with you.

How can you compare mortgage deals?

It is a good idea to look at the Annual Percentage Rate of Charge (APRC), as well as the main interest rate, to help you to compare deals. The APRC was introduced as a way to illustrate the total cost of your mortgage. It represents the cost of the mortgage (expressed as a percentage of the amount borrowed and all other costs) over the full term of the mortgage.

The APRC is calculated using:

- The introductory offer rate
- The standard variable rate that your mortgage will transfer to once your introductory offer ends (typically after 2, 3, or 5 years)
- All mortgage related fees
- The term of your mortgage

It is important to remember that the APRC is based on you keeping that mortgage for the entire term. If you intend to transfer to a new rate once your introductory offer rates come to an end, it might be better to use the initial interest rate as the primary indicator of the best mortgage deal for you.

Your Mortgage and Protection Consultant will use the APRC, along with many other factors, to help determine which the most suitable deal is for you.

What you need to know

Your mortgage is likely to be your biggest financial commitment. Therefore, it is sensible to review your repayments on a regular basis.

Remortgaging through Countrywide Mortgage Services can be quick and simple. An early discussion with one of our professional Mortgage and Protection Consultant will make sure you understand the
processes involved; it is an ideal opportunity to source and arrange the right mortgage, with the minimum amount of fuss.

However, a further advance with your existing lender could be more appropriate.
Please speak to your existing lender for advice.

Why remortgage?
Remortgaging can be a great idea to save you money but you need to ensure that it is the right option for you. Therefore, it is important to look at why you are considering a remortgage and how it could affect your finances.
Here are just some of the reasons why homeowners remortgage:

- End of a current mortgage deal
- Change in circumstances
- Reducing your loan to value (LTV)
- Looking to raise capital
- Debt consolidation

End of a current mortgage deal

If your current mortgage deal is coming to an end - and your mortgage is reverting to your lender's standard variable rate (SVR) - you could face higher monthly mortgage payments.

Remortgaging to a fixed or new variable rate could save you money. Your Mortgage and Protection Consultant can help you to find the most suitable type of rate for your circumstances.

Change in circumstances

Changes in your circumstances, such as a promotion or inheritance, may mean you are able to pay back more towards your mortgage. Likewise, a lower paid job or relationship breakdown could mean you have less cash available. If so, remortgaging may be an option to change your monthly payments to align with your new circumstances. Remortgaging may also enable you to get a more flexible deal, for example if you want to overpay on a regular basis.

Reducing your loan to value (LTV)

If you are in a position to reduce your LTV, you may be able to get a lower interest rate on your mortgage and therefore save money.

Looking to raise capital

Remortgaging can help you benefit from any increase in your property value and can be a way of raising capital towards a number of things; a buy-to-let property, home improvements or helping a child build a deposit towards their own home.

However, increasing your mortgage loan to release capital means you may have more interest to pay back over the term.

Debt consolidation

Broadly speaking, debt consolidation is a debt management activity where you take out a loan in order to pay off existing debts. A variety of credit products can be used to consolidate debt, including:

- An unsecured personal loan.
- The transfer of multiple credit card balances to one credit card.
- A secured loan (or second charge mortgage).
- A further advance from an existing mortgage provider secured against the property, but leaving the original mortgage intact.

What factors should I consider before consolidating debt?

Before consolidating debt, you should carefully consider the financial implications of doing so. If you are securing previously unsecured debt against your home, there may be more appropriate alternatives for your current circumstances and future intentions.

Opting for a debt consolidation loan with lower monthly payments can make sense, as long as you understand the reasons why the payments will be lower. You may have a more competitive interest rate, but this usually means an extended repayment period. Take a hard look at your current debt, including the payments and the interest rates, before you decide whether this method of debt management is best for you.

Your protection

It is important to keep you, your family and your home safe and secure.

Buildings Insurance
Buildings insurance is a requirement of most mortgages. AXA's buildings insurance covers the structure of your home against a wide range of risks including escape of water, fire, storm and flood. Accidental damage cover is automatically included, subject to the property being maintained in a good state of repair.

Contents Insurance
Contents insurance covers your belongings if they are damaged, lost or stolen due to a variety of risks such as fire, flood or theft. Also, you can choose from AXA's optional extras, such as accidental damage to contents, pedal cycles, personal possessions away from the home, home emergency or legal expenses.

Accident, Sickness and Unemployment
This cover can help you to continue to meet your mortgage repayments for a period of up to 12 months per claim if you are unable to work due to an accident, sickness or involuntary unemployment.

There are other providers of payment protection insurance and other products designed to protect you against loss of income. For impartial information about insurance, please visit moneyadviceservice.org.uk

Premiums are payable monthly by Direct Debit without charge. Premium amounts quoted include Insurance Premium Tax at the current rate.

Accident and Sickness only: £3.72 per month per £100 of benefit.
Unemployment only: £3.95 per month per £100 of benefit.
Accident, Sickness and Unemployment: £5.69 per month per £100 of benefit.

Life Insurance+
If you die or are diagnosed with a terminal illness before your cover ends, a Life Insurance+ policy will pay out a lump sum (or monthly instalments if family income cover is selected). Life Insurance+ could help towards the outstanding balance of your mortgage and provide for your family's future.

Critical Illness+
Critical Illness+ will pay out a lump sum, or monthly benefit if selected, if you suffer one of a range of illnesses covered by your policy. It can be tailored to suit your needs and also provides cover for your children.

Income Protection+
If you are unable to work due to an accident or sickness, Income Protection+ is designed to help replace your lost income with a monthly payment, until you are able to return to work or your policy ends*. The cover also includes family carer benefit, paying up to £1,500 per month if your partner or children need full-time care.

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Speak to your Mortgage and Protection Consultant about the range of added and optional benefits also available with Aviva.

Terms, conditions and eligibility criteria apply to all policies with AXA and Aviva.

Will writing
Make sure that your property and possessions are dealt with according to your own personal wishes after your death. Feel secure with clear and understandable advice from a specialist law firm.

*This is not an exhaustive list. Please refer to the policy terms and conditions for the full information. For more information about your protection options, download our free guide to insurance at www.mortgagescountrywide.co.uk

Additional services

Conveyancing Services
In most circumstances, you will need to instruct a conveyancer when you are remortgaging to a different lender. The conveyancing process is simpler for a remortgage than when you purchased your home.

How does it work?

- Your conveyancer will obtain up-to-date copies of the Title Register and associated documents from the Land Registry. They will also establish exactly how much is left outstanding on your mortgage.
- Once the valuation has been completed, and your new lender has agreed your mortgage, they will post a formal mortgage offer letter to you.
- All appropriate searches will then be undertaken or search insurance arranged (if acceptable to the lender).
- Your conveyancer will send you the mortgage deed to sign and return, as well as any other associated documents.
- A completion date will be agreed with you. Completion is the day when your new mortgage monies are used to pay off your old mortgage (and any other debts which are being reduced/ settled as part of the transaction).

Countrywide's panel of law firms are specialist property lawyers which contain the biggest names in residential Conveyancing. Our lawyers are experts in their field and are available to work on your case. For more information on how Countrywide Conveyancing Services can help you, please speak to your Mortgage and Protection Consultant.

The complete remortgage and protection service

As part of the service we offer, your Mortgage and Protection Consultant will:

- Equip you for your mortgage and protection journey ahead
- Highlight and explain the costs involved
- Select a suitable lender and product that meets your needs
- Tailor a recommendation that suits your short, medium and long term goals
- Help protect you and your family and home 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

1 Your needs

Get an **Agreement in Principle** from an appropriate lender, suitable to your needs

2 Protection

Consider your protection needs and discuss conveyancing

3 Your decisions

Speak to us to finalise your **remortgage, protection and conveyancing** arrangements

4 Valuation

A survey/valuation is carried out and **local searches** undertaken

What actually happens?

Once your application has been submitted...

- The new lender will make a decision on the mortgage. If approved, they will request a valuation.
- Your new lender will issue a mortgage offer and the conveyancer is instructed.
- Your conveyancer will issue a remortgage questionnaire, mortgage deed and other relevant documents to you.
- Your new protection arrangements will be confirmed.
- Once you return the requested documents to your conveyancer, they will request a redemption statement from your existing lender and funds from the new lender.
- Completion will take place after the existing product expires and your conveyancer will forward any surplus funds to you. Your lender will then be in contact with details of your new monthly payments.

Countrywide offers the complete remortgage package all under one roof. If you are a repeat customer, you will also have access to a convenient home appointment service.

5
Remortgage offer

A remortgage offer is made by your chosen lender

6
Final checks

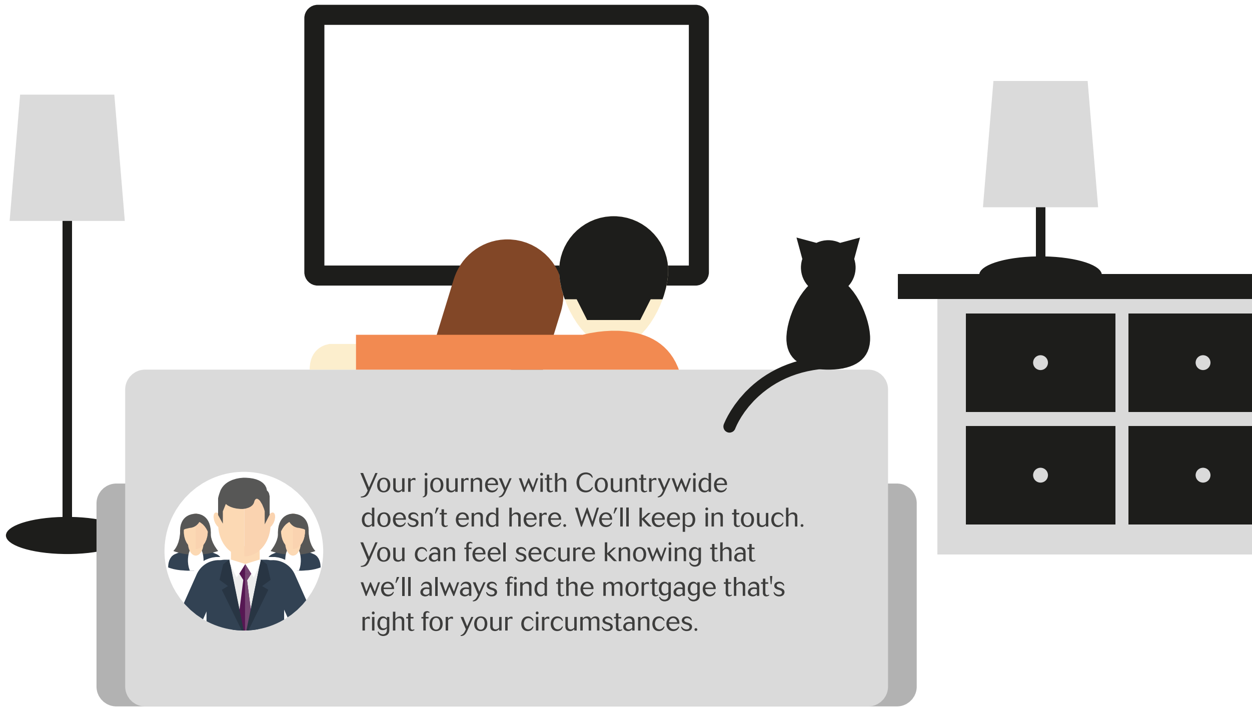
Speak to us to ensure all arrangements are in place **before completion**

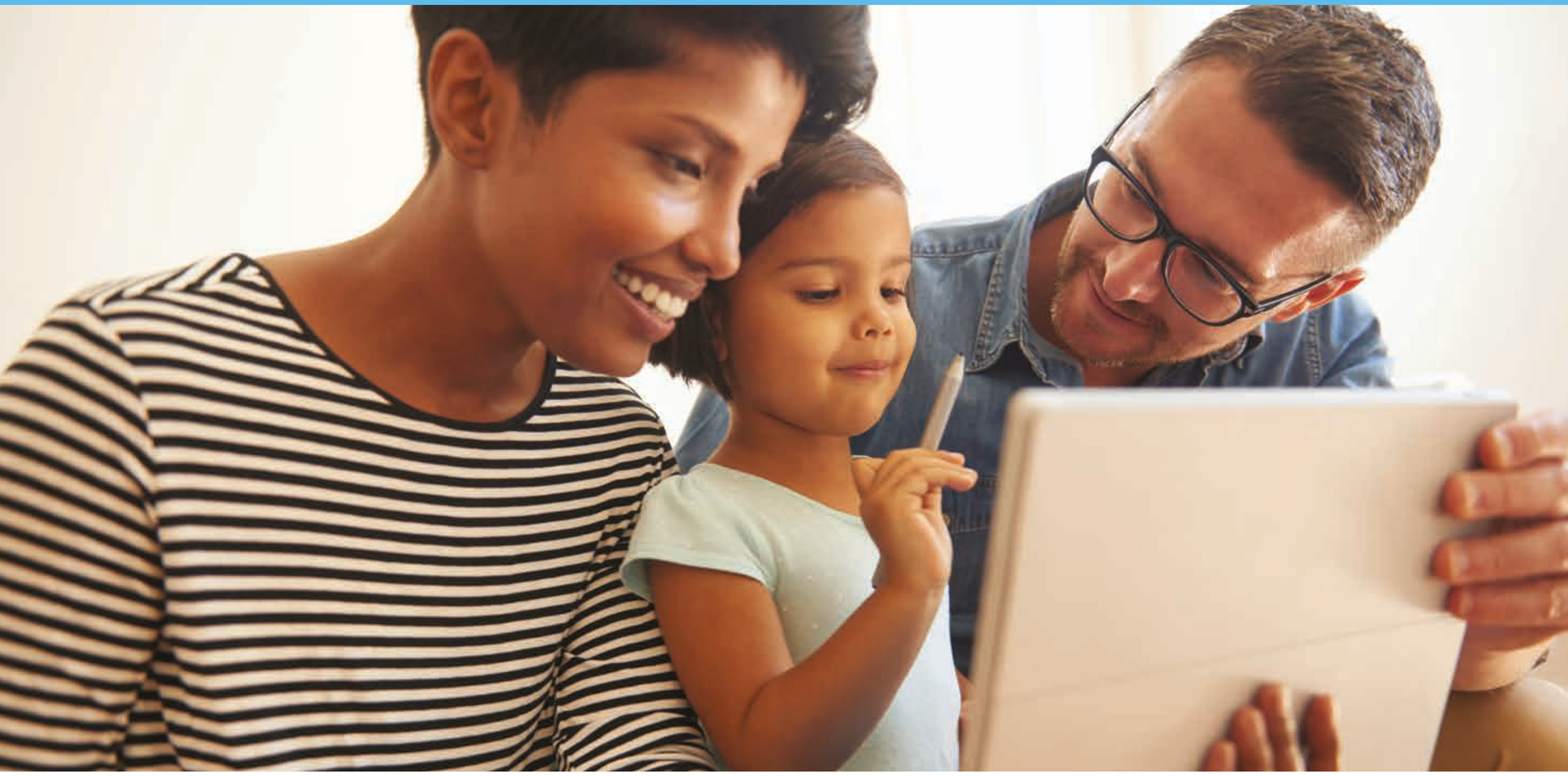
7
Completion

All money is transferred and your remortgage is complete

8
Home sweet home

Put your feet up and relax!





Staying in touch

Part of the ongoing service that Countrywide Mortgage Services provides to all of its customers, is the opportunity of a mortgage review.

Prior to the end of the initial incentive period on your current mortgage, we can review the options available to you before you revert to your lender's standard variable rate.

Our Mortgage and Protection Consultants offer a straight forward, no obligation mortgage review. We use a panel of UK lenders who offer a wide range of remortgage products – some of which may be exclusive to us. We will ensure that we get the right product to suit your circumstances.

We will contact you towards the end of your mortgage incentive period. However, if you have any questions or queries at any time, please do not hesitate to contact us directly on:

Telephone 0800 988 7925
Email advice@mortgagescountrywide.co.uk
Website www.countrywidemortgages.co.uk

Glossary of technical terms

Early repayment charge (ERC)
This is a charge made on certain mortgages when all or part of the loan is repaid within a set period. Usually it applies on a pro rata (i.e. proportional) basis when capital repayments are made in addition to of the agreed monthly payments. Many ERC periods are linked to offers for capped, discounted or fixed rate periods.

Cashback
You will receive cash after completion when you take out a mortgage with cashback. The cashback sum may be a proportion of the amount you're borrowing or may be a fixed amount. Please note, cashback mortgages often charge a higher interest rate than other mortgages.

Further advance
Some lenders may allow you to increase the borrowing alongside the existing mortgage however, a different rate may apply. Your lender will be able to advise you.

Legal fees
The amount of money that needs to be paid to a conveyancer for their legal services.

Loan to value (LTV)
The loan amount expressed as a percentage of the property value. For instance, a £100,000 property bought with a mortgage of £70,000 has an LTV of 70%. In most circumstances, the higher the LTV, the higher the interest rate charged will be.

Stamp Duty Land Tax /Land Transaction Tax
This is a Government tax charged on the proportion of property price that falls within a particular rate band. The Tax will depend on whether you live in England or Wales. To find out the current rates and bandings search for 'Land Tax' on **www.gov.uk** (for England) and **www.gov.wales** (for Wales).

Secured loan
An additional loan secured on a residential property, usually provided by a different lender from the original mortgage.

Standard variable rate (SVR)
This is a variable rate decided entirely by the lender, unless it is linked to Libor or to the Bank of England Base Rate. The SVR is the rate the mortgage will change to at the end of any special-offer period (so, the SVR might start at the end of the period during which your mortgage has been capped, discounted or fixed).

Unsecured personal loan
A personal loan, or unsecured loan, allows you to borrow a fixed amount over a fixed term, usually at a fixed rate of interest. You can usually borrow up to £25,000 without having to put up your home as security for the loan. Interest rates vary, but generally speaking, the bigger the loan amount, the lower the rate of interest.

Valuation
Whether purchasing or remortgaging your lender will require a valuation on your home to establish their lending risk. The valuation assesses the nature of the property and factors likely to affect its value.

Our Friends & Family referral scheme

Would you like to earn £50 for recommending Countrywide Mortgage Services?

We believe that word of mouth is the best approach to gaining new business. If you recommend our mortgage services to someone you know, we'll reward you both with a £50 shopping voucher once your mortgages have completed.*

Step 1

Register for the Friends & Family referral scheme.

Step 2

Refer someone you know who is looking for a mortgage.

Step 3

Receive £50 shopping vouchers once both mortgages complete.

£50

Speak to your Mortgage and Protection Consultant for more details.

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*Terms & conditions apply. £50 worth of shopping vouchers will be paid to you and your friend or family member within 60 days after the completion of both mortgages. It is only available to customers who are introduced to Countrywide Mortgage Services. No cash alternative is available. The promotion can be withdrawn at any time without notice.

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www.countrywide.co.uk/mortgages/

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