GET YOUR HOUSE IN ORDER

Find out how remortgaging could make you better off

Virgin money

REMORTGAGING FOR A BETTER DEAL

Whether you're reaching the end of your current mortgage deal, or simply planning ahead, choosing your next mortgage is an important decision. We've put together this straightforward guide to help you decide if remortgaging is right for you.

REMORTGAGING

What is it? When, and why should you consider it?

Remortgaging is moving your mortgage from one lender to another, without moving home. Recently, we have seen some of the cheapest fixed rate mortgage deals ever made available, meaning many people could save money by switching their mortgage.

Remortgaging could be right for you if:

- Your current deal is coming to an end and you'll soon be paying your lender's Standard Variable Rate (SVR).
- Your deal has ended and you are already paying your lender's SVR.

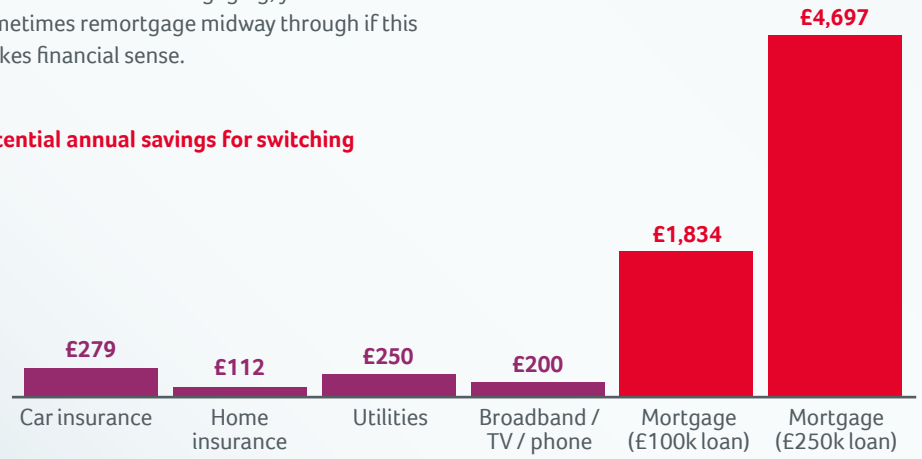
Whilst most people wait until their current deal ends before remortgaging, you can also sometimes remortgage midway through if this makes financial sense.

Remember though, it can cost money – your existing lender may charge an exit fee, as well as an Early Repayment Charge. You can incur costs when setting up a new mortgage deal too, so it's very important to do the sums before committing to your next mortgage.

Could a new mortgage deal reduce your monthly payments and save you money?

Just as you'd shop around to make savings on your other monthly outgoings, why not see if there is an opportunity to reduce your monthly mortgage payments. The savings could be much bigger than those you can make on your utilities and insurance products.

Potential annual savings for switching



Notes

Potential savings source from MSM (Utilities), GoCompare (Car & Home) and uSwitch (Broadband / TV / Phone). (Correct as of 11 December 2017).

Mortgage savings calculated by Virgin Money based on customer moving from the market average Standard Variable Rate of 4.77%[1], to Virgin Money's 2 year fixed rate at 1.48%[2]. Available at 65% LTV, with a £995 fee which is added to the loan, over a 15 year term, on a repayment mortgage. Free basic valuation on properties under £3m and free standard legal work, an application fee may apply.

It's important to note that mortgage savings are dependent on a number of factors (including loan size, interest rates and Loan to Value)

1. Average Standard Variable Rate based on whole of market. This does not include any loyalty SVRs. (Correct as at 6 December 2017).
2. Rates valid from 06.12.17 and available at time of distribution.

STANDARD VARIABLE RATES

When an introductory mortgage deal comes to an end, the mortgage will usually revert to an interest rate known as a Standard Variable Rate (SVR).

The SVR interest rate is set by the lender so differs depending on who you're with, and is variable. This means your payments can go up or down according to movements in interest rates. Lender's can also increase or decrease their SVR at any time – not only after Bank of England Base Rate changes.

For some consumers, reverting to a SVR can be a more flexible alternative to choosing a new mortgage deal. There are generally no Early Repayment Charges which allows you to overpay, pay off the mortgage early, or remortgage to a new deal at any point.

Whilst SVRs do offer a level of flexibility, generally speaking they tend to charge a higher rate of interest than many mortgage deals that are now available. Which is why now is a great time to consider your remortgage options.

REASONS TO REMORTGAGE

Aside from saving money, there are many other reasons why people remortgage...

1. **You want to pay off your mortgage more quickly**

   Remortgaging could reduce your monthly payment, but if you can afford to continue paying the same amount as with your previous mortgage deal, this could considerably reduce your term, meaning you could be mortgage-free sooner.

   And if your SVR mortgage is on an interest only basis, it's definitely worth looking around. If you're keen to move a portion of your mortgage to a repayment basis, you may be able to keep your mortgage payments the same with the added benefit of paying off some of the capital.

2. **You want to free up some cash**

   For some people, remortgaging can free up some equity in their property to help pay for things like home improvements.

   Rather than packing up and moving to a bigger house, why not think about adding space and value to your current home with an extension and/or refurbishment. Remortgaging can release some cash to help pay for these. If this is something you're considering, it's important that you think carefully about whether it's the right option for you so make sure you get all of the information upfront.

3. **You want peace of mind**

   When you switch to a fixed rate mortgage, you can relax knowing exactly what your monthly repayments will be. This can help you plan for your future. And the different terms that lenders offer mean that you can check how long you would like to fix for.

Whatever you're remortgaging for, the current low interest rate environment means now could be the right time to weigh up your options.

A FURTHER REVIEW

Reviewing your mortgage also provides a great opportunity to consider your protection needs. The type and level of insurance you require can often change throughout your life – so seek advice from your adviser to make sure you have the right cover for your circumstances.

NEXT STEPS

1. Speak to your mortgage adviser for help reviewing your current mortgage.
2. If remortgaging is right for you, with the help of your mortgage adviser, choose a new mortgage that fits the bill.
3. Your mortgage adviser will guide you through the application process.

WANT TO TALK REMORTGAGING?

My name is:

Contact details:

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE

VMP2891V9 (valid from 05.01.18)