

First Time Buyers Mortgage Guide



GASKELLS

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The most important starting point for a first time buyer mortgage is finding out how much you can borrow. Lending is based on your total income and is usually calculated using affordability models based usually on net income and outgoings.

Lending calculations for first time buyers differ greatly from lender to lender and we recommend you seek advice from a professional mortgage adviser.

Here at Gaskells we offer professional advice from mortgage professionals who can assess your individual circumstances and find the right mortgage for you.



Getting Started

What kind of mortgage is available to me?

A mortgage for first time buyers is available in 2 basic types, capital repayment and interest only. With a capital and repayment mortgage you pay back interest and an element of the outstanding balance. With an interest only mortgage, you pay back the interest element only over the term of the mortgage and then repay the amount borrowed in full at the end of the term by way of an associated investment policy. We do not advise on investment products. Always seek advice from a professional mortgage adviser who can help you chose the right mortgage type.

What choice of mortgage products are available to me?

They are available as fixed rate, discounted, tracker and flexible deals with differing options to suit your needs. Early Repayment Charges may apply to these schemes.

What fees are involved?

As with any residential mortgage transaction there are a number of fees that you will need to budget for. An up front valuation fee will be required, the cost will vary according to the estimated value of the property and it's location. Some lenders will require arrangement and rate reservation fees, either to be paid up front or in some circumstances be added to the mortgage advance. You will also need to consider solicitor's costs, buildings insurance, stamp duty fees and any service charges that will apply if the property is a flat.

What if I need help getting on the property ladder?

In today's market it is especially difficult for first time buyer to 'get their foot on the ladder' and buy their first home. There are a number of schemes available which are designed to help people in this situation and an increasing number of first time buyers need parental help.

Shared Home Ownership (SHO)

These schemes allow borrowers to buy a part of the property and rent the remaining share from the housing authority. This allows you to budget and perhaps save to purchase the whole of the property at a later date.

Key Workers Living Schemes

These schemes (which are run by the local authority) offer assistance with first time buyer house purchases for key worker in health and education roles. To see if a scheme exists in your area you should contact the relevant local authority.

Guarantor mortgages

There are several options with this type of mortgage but basically the parents agree to take responsibility for all or part of the mortgage loan should you be unable to make the mortgage payments. This offers additional security to the mortgage lender and can be a way to obtain your first mortgage. There are also other ways in which Parents and family may be able to help. Gaskells can help to explain the options in more detail.



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THINK CAREFULLY BEFORE SECURING OTHER DEBTS AGAINST YOUR HOME. YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.

THE FINANCIAL CONDUCT AUTHORITY DOES NOT REGULATE SOME FORMS OF BUY TO LETS, COMMERCIAL MORTGAGES, SECURED LOANS, UNSECURED LOANS, CONVEYANCING OR DEBT MANAGEMENT.

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