



Helping our Heroes into homes!

Trafalgar Square fpc

Independent Financial Advisers

Your Guide To Mortgages and Homebuying From the Homes For Heroes Mortgage Brokerage



breaking the mould.

About Trafalgar Square FPC

Trafalgar Square Financial Planning Consultants (TSFPC) is a totally independent mortgage and lending advice-based business. The 'independent' term, means that with the 20+ years experience of the Principal, Lindsay Hopkins, a former Royal Tank Regiment Officer, advice can be given to you to help you achieve the mortgage choice, which suits your needs.

The advice spans individual research on your behalf across the whole UK and European Lending Market, through the application process and right through to completion. We are in place to provide and guide clients on every lender product on the market and are privy to exclusive deals offered to select Mortgage Brokers. The advice is licensed under the Financial Services Authority (FSA).

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Buying a property can be the most substantial single purchase you ever make and whether you’re a first time buyer or have owned a property for many years, it’s vital that you have the right mortgage. By making the most appropriate choices, over time you could literally save tens of thousands of pounds.

Yet, the choices are vast and bewildering. There are mortgages for every kind of situation, from those specifically for first time buyers without a deposit, to highly flexible products linked to your bank account which allow you to pay off your loan as quickly as possible. There are building societies, banks and specialist companies all claiming to have the best products.

Your Trafalgar Square Financial Planning Consultants adviser can cut through the clutter, ensuring that you not only have the right kind of mortgage but also seek out the best rates from the best lender for you.

BUYING A HOUSE

One of the most important things to do before you look for your home is to establish precisely how much you can borrow. Your TSFPC adviser is qualified to look at the offerings from different lenders in order to achieve the most suitable arrangement for you. In many instances, he will find ways to enable you to borrow a bit more than might be available from your bank and at more competitive rates. What’s more, TSFPC frequently have access to exclusive mortgage products that cannot be found elsewhere, thus saving you more money.

It is also important that you are fully aware of the likely costs associated with your move.

REMORTGAGING

- How confident are you that your mortgage is the best for you?
- Do you want to reduce your mortgage payments?
- Do you want to raise additional finance?
- Would you ideally like to do both?

Whatever your answers to these questions, your TSFPC adviser is qualified to make a comprehensive assessment of your personal circumstances, in order to try and produce a cheaper or more suitable arrangement for you.

In some instances, arranging a further advance with your current lender is most suitable, but even here, taking stock of your overall needs can produce even more benefits for you.

As with moving house, it is important to be aware of any costs that might be incurred in remortgaging.

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WHAT IS A MORTGAGE ?

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A mortgage is a loan secured on your property and therefore the lender has the security of knowing that in the event of serious default in payments, it could sell the property to pay off the outstanding debt. This means that mortgages are generally much cheaper than most other types of loans. There are many different kinds of mortgages. Here are some of the main types.

Variable or Floating Rate

The interest rate you pay is likely to fluctuate roughly in line with movements in the Bank of England Base Rate. There are also a number of different methods of interest charging adopted by lenders and some can work out significantly cheaper than others over a period of time. Often there are more attractive options available to you than the variable rate.

Fixed Rate

As the name would suggest, the interest rate applied is fixed for a specified period of time, which could range from one to twenty five years, but terms of up to five years are most likely. With a fixed rate, there are no upward or downward movements, allowing for easy and predictable budgeting. At the end of the fixed rate period, the rate normally reverts to the lender's standard variable rate.

Capped Rate

In this example, there is a maximum rate set at outset, for a specified period of time, but there is no minimum. Therefore this provides the same easy and predictable budgeting as a fixed rate, but with the possibility that the rate will reduce should mortgage rates move significantly downwards. The initial rate tends to be slightly higher than fixed rates of a comparable term.

Discount

There are many different types of discounted mortgages, but broadly speaking, they will allow a specified reduction for a specified period of time from a 'benchmark' rate (eg. Variable or Bank Base Rate). The payment will typically be lower than most fixed or capped rates of comparable terms. The risk is that if the benchmark rate increases, so does the rate you pay. However, the reverse also applies, which might work to your advantage in a falling interest rate environment.

Cashback

In many ways a similar concept to discounted mortgages, but instead of giving a discount for a specified term, the lender will give you a lump sum up front, usually upon completion. The mortgage will then be charged at a variable rate, but there will be penalties for early repayment or redemption.

Flexible Mortgages

These provide you with the ability to increase your mortgage payments when you can afford to, hence repaying your loan more quickly, often leading to significant interest savings. You can take payment holidays should you wish – perhaps to fund a holiday, or withdraw additional money to buy a car. They often use daily interest calculation, which is fairer for you and sometimes include other options. It is worth speaking with your TSFPC adviser regarding these mortgages, as some are ‘more flexible’ than others. On the whole, flexible mortgages are becoming more competitive and are increasing in popularity with borrowers.

Base Rate Trackers

Over the last few years we have seen the introduction of mortgage rates being linked to the Bank Base Rate (BBR). This is typically set at a specified amount above BBR, however can sometimes include an introductory discount in the same way as a discounted mortgage. The main benefit is that when the BBR falls, the interest rate charge on the mortgage must be immediately altered to reflect this and payments will decrease. However, the opposite is also true and interest rates will rise with any BBR increases, therefore increasing your payments.

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REDEMPTION PENALTIES

Some of the special mortgages on offer can appear too good to be true. It often follows that when this is the case, although the overall proposition is a sound one, there may be penalties applied should you wish to repay or redeem your mortgage early. If this does not suit your needs, professional guidance could ensure that you receive at least some of the benefits, but with smaller penalties, or none at all.

METHODS OF REPAYMENT

Whilst mortgages have developed considerably over the last decade, repayment methods can still broadly be divided into just two types: repayment mortgages and interest only mortgages.

With a repayment mortgage, you make monthly payments to the lender, which consist of both capital and interest. The mortgage will be repaid gradually over the term of the loan.

With interest only mortgages, you only pay the lender interest on the outstanding loan. No capital repayments are required until the end of the term. You will need to contribute to an appropriate investment contract, designed to repay the mortgage at the end of the term. Such contracts often include Individual Savings Accounts (ISAs), endowments and pension plans. Alternative methods of paying back the loan at the end of its term could include an inheritance, or selling or remortgaging the property. Your TSFPC adviser will discuss the different methods of repayment with you in detail.

BORROWING LIMITS

A guide to how much you can borrow might prove helpful, especially if you are looking to buy a house or raise additional finance. You will generally be able to borrow three times your salary, or if choosing a joint mortgage, you may be able to borrow three times the higher salary plus once the lower salary, or up to two times the combined salaries. In many cases, it may be possible for you to borrow more than this.

“Your TSFPC Adviser will advise you on your monthly mortgage payments and any additional costs that may be incurred”.

OTHER COSTS TO CONSIDER

It is vital that you are made aware of all the potential costs involved in either moving home or remortgaging. Once you have moved into your new home, the last thing you want is an unexpected bill in addition to the mortgage payments themselves. TSFPC will advise you on your monthly mortgage payments and any additional costs that may be incurred.

Deposit

Some lenders will require a minimum level of deposit to be put down on the house you are buying, typically between 10 - 25%. However it is often possible to avoid this. It may also be possible to borrow more than the value of the purchase price of your property.

Stamp Duty (not applicable on remortgages)

This is a tax levied on all property purchases of more than £175,000 (until 31st December 2009) and is tiered as follows:

Property Value Charge

up to £175,000 (until 31 December 2009 inclusive)	0%
£175,001 - £250,000	1%
£250,001 - £500,000	3%
£500,001 or more	4%

Solicitors' Fees

There will be fees charged by your solicitor for overseeing the sale and/or purchase of your property, as well as in some cases, remortgages. It is worth noting that for remortgages, it may be possible to use products where there are no additional solicitors' fees to pay.

Survey Fees

There are three different levels of survey available:

- Basic valuation
- Homebuyers report
- Structural survey

Every lender will require a basic valuation on the property. In addition, for your own information and peace of mind, you can elect to have either of the other two reports, which are more thorough and provide additional details on the state of the property you are considering buying. Often the cost of doing so can be negotiated with the lender.

Application Fees

With some mortgages, there are application and/or booking fees. These are usually charged where there is a special fixed or capped rate to be booked and you need to be aware that not every lender will refund the fee should your transaction fall through. It is therefore well worth obtaining an illustration detailing all lender charges prior to committing yourself.

Estate Agent Fees

If you plan to sell your existing house, there will be a fee to pay if you use an estate agent, which generally the solicitor will request from you and pay on your behalf. Typically, this will be in the region of 1% to 2.5% of the agreed sale price. The amount can be negotiable depending upon individual circumstances. There are, of course, other options now available to you in addition to the traditional estate agency route, such as companies on the Internet, and the fees may be lower, but care is needed to be certain you receive the right local knowledge and service.

Removal Fees

Again, should you be moving house, there will be a cost for hiring a removal company.

The FSA

The FSA provides you with protection as a borrower and highlights the minimum standards that lenders and professionals have to meet.

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TYPICALLY, TSFPC, THROUGH ALL LENDERS IN THE UK CAN OFFER ADVICE IN THE FOLLOWING AREAS:

- **BUYING A HOUSE IN THE UK** : How confident are you that you have the best mortgage, and are you aware of the maximum you could borrow?
 - **REMORTGAGING** : Do you want to reduce what you are paying, borrow more, arrange a more flexible mortgage or maybe do all of this?
- **NEEDING A LARGE MORTGAGE QUICKLY AT THE BEST RATE POSSIBLE** : Large mortgages often need special handling and we can speed up the process for you as well.
 - **OVER 60 AND WANTING TO INCREASE YOUR INCOME** : Have you ever looked into using some of your equity to pay you an income, lump sum or both?
- **WANTING TO MAKE YOUR MONEY WORK HARDER FOR YOU** : Did you know that can access special products that pay higher interest rates on your savings and charge less on your borrowings?
 - **WANTING A MORTGAGE THAT'S FLEXIBLE** : Would it give you comfort to have the ability to overpay, underpay or even take a payment holiday if the need should arise?
- **CHECKING THAT YOUR MORTGAGE IS BEST FOR YOU** : How confident are you that you have either the cheapest, the most suitable or both?
 - **LETTING A PROPERTY** : If you want to let your house or buy one to let, we can help find the best way for your to do this.
- **BORROWING MORE ON YOUR CURRENT MORTGAGE** : If you're planning to improve your house or borrow for another purpose, why not check with us that you are doing this in the most cost effective and suitable way.
 - **BUYING A PROPERTY ABROAD** : Are you looking to fulfil a lifetime dream? Are you fully aware of the process, local taxes and other complexities? Is there a cheaper way to do this?

There are currently more than 50 mortgage lenders in the UK, and therefore finding the best mortgage for your needs is not an easy task. Your TSFPC Adviser is qualified to give professional advice on a wide range of mortgages available through TSFPC.

“Your TSFPC Adviser can offer you high quality advice on the wide range of mortgages on offer throughout the UK”.

WHAT CAN WE DO FOR YOU?

Your TSFPC Adviser can offer you high quality advice on the wide range of mortgages on offer. What’s more, because of the large volume of mortgages arranged by TSFPC, they have access to exclusive mortgage products which are not directly available from any lender or other brokers.

TSFPC Advisers’ are all registered with the FSA and operate strictly within the guidelines of the FSA, giving you peace of mind that you will receive advice you can trust.

WHAT DO I DO NOW?

For answers to your own individual questions or to chat through your plans, contact your TSFPC Adviser today and find out how you can save time and money.

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