**Get Mortgage Ready: Understanding Mortgages.**

Are you looking to get yourself onto the property ladder? Feeling overwhelmed by all of the options that are available to you? Don’t worry here is a guide to guide you along the basics to starting to look into getting a mortgage.

**What is a mortgage?**

A mortgage is a loan from a lender, who are the people that supply the money, that you will then use to buy a house and then repay the lender in monthly instalments, including interest.

**How does a mortgage deposit work?**

A mortgage deposit is the initial payment made by the buyer when purchasing a house. The larger the deposit, the less money you will need to borrow through a mortgage, and the better mortgage rates you will be offered.

The deposit amount is usually a percentage of the property value. For instance, if you are buying a house for £300,000 and your deposit is 10%, you would need to put down a £30,000 deposit. The remaining £270,000 will be provided by the lender.

This is referred to as the Loan-to-Value ratio, which measures the percentage of the property price that needs to be financed through a loan to complete the purchase.

**What types of mortgages are there?**

As a first-time buyer, navigating the various types of mortgages offered by lenders can be overwhelming. To ease the process, here's a quick guide outlining the different options available and their benefits.

**Fixed-Rate Mortgage**

A fixed-rate mortgage means that the interest rate on your mortgage payments remains the same for a set period, usually between two to fifteen years. Typically, first-time buyers are offered either a two-year or five-year fixed-rate mortgage.

One advantage of a fixed-rate mortgage is the financial stability it provides, allowing buyers to plan their budget around consistent mortgage payments without worrying about fluctuating interest fees.

However, this stability comes at the expense of flexibility, as it may discourage homeowners from switching to a different mortgage plan such as a variable rate.

**Variable Rate Mortgage**

A variable rate mortgage is different from a fixed rate mortgage in that your payments can vary each time due to the rate set by the lender. Unlike a variable rate tracker mortgage, these rates are not tied to the Bank of England base rate. This type of mortgage offers the benefit of paying less if the lender's rates decrease, but there is also the risk of paying more if the lender increases the interest rates.

**Variable Rate Tracker Mortgages**

A variable rate tracker mortgage is similar to a variable rate mortgage, but instead of the lender setting the interest rate, it is set by the Bank of England. This means that the rate will vary depending on the Bank of England's set rate.

While these mortgages are often more suitable compared to a standard variable rate mortgage, they still have a variable element attached to them. This means that your monthly payments could easily increase, making budgeting more challenging each month.

**How am I able to find the most suitable mortgage?**

The way you can find the most suitable mortgage is to speak to us. We can have access to the wide range of products from High Street Lenders and specialist products not available direct with many different lenders. Contact us today and see how we can help you through your journey.

**We’re here to help you:**

We understand that the mortgage market can feel overwhelming. We’re here to help simplify the process and offer guidance every step of the way. Our expert team provides personalised advice tailored specifically to your financial situation, long-term goals, and individual needs.

Reach out to us today to discover how we can assist you in finding the right mortgage solution. Schedule a no-obligation consultation and let us help you navigate the complexities of the mortgage market with confidence. We’re committed to guiding you through this important journey with clarity and care.

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