**Green Mortgages: Exploring the Benefits and Considerations of Green Mortgages**

Green Mortgages are a recent introduction to the mortgage market, and every new product raises a lot of questions. In this blog, we will explore the advantages and considerations of a green mortgage.

**What are the benefits of a green mortgage?**

A green mortgage has many different benefits attached to it as well as helping the planet through your home. Some of these benefits are

* Money saving

Owning a house with a high EPC rating can lead to cost savings when buying a house. This includes lower interest rates and cashback rewards offered by lenders as a result of having a positive impact on the environment.

* Property value increase

Having a green mortgage means that if you decide to sell the property later, it would be a more enticing option, potentially increasing the property's value and resulting in more profit for you.

* Energy costs

Having the modifications for a green mortgage means that your house can save you money on your bills by retaining more heat and saving on electricity.

* Cheaper borrowing rates to improve

Many lenders will offer green home improvement initiatives at reduced rates like NatWest who offer a 0% interest rate on borrowing for green home improvements1. Other lenders may offer a cashback incentive if you improve your property to be more eco-efficient.

**What are things to consider when getting a green mortgage?**

Green mortgages are an amazing way to help reduce your overall living cost as well as help to save the environment at the same time. There are still things that need to be considered when getting a green mortgage. Here is a small list of things to consider.

* Is It the most suitable on the market?

When looking on the market for a mortgage a green mortgage may be advised as cheaper, but this could not be the case in some incidents. The right way to know if you’re getting the most suitable mortgage would be to contact one of our advisors and they would be able to help you try and get the most suitable possible.

* Is it worth it?

Some products that are required to get an EPC rating are very expensive and therefore would mean spending more money to get a higher EPC to then be able to get a green mortgage. This is something to consider and see if it would be worth spending the money to get these products or if it would be easier to get a regular mortgage.

Some Lenders will offer incentives for people to make their houses more eco-friendly. For example, NatWest will offer a loan a green additional borrowing mortgage which has 0% interest on it meaning you can take out a loan that can be used to make energy-efficient improvements to your home.

* What are you able to put down as a deposit

With most green mortgages, the loan-to-value of the deposit is a maximum of 85%. This means that if your house is valued at £500,000, you will need to put down a £75,000 deposit. 85% is the lowest loan-to-value ratio available for a mortgage, so some lenders might require a higher ratio. This is an important factor to consider when comparing green mortgages to regular mortgages, as some lenders may offer lower interest rates.

**How can I find the most suitable green mortgage?**

To find the most suitable mortgage, make sure to schedule an appointment with one of our representatives. We provide personalised care and ensure that you can access the most suitable mortgage.

**We’re here to help you:**

Navigating the process of determining your eligibility for a green mortgage can feel overwhelming, but we’re here to make it simple. Our team is ready to provide personalised advice tailored specifically to your financial and sustainability goals, ensuring you receive the most suitable guidance possible.

Reach out to us today to explore your options and schedule a no-obligation consultation. Together, we'll work to find the ideal mortgage solution for your unique situation and help you take confident steps towards a greener, more energy-efficient home.

Please remember: YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.

[PLEASE ADD YOUR BROKER FEE DISCLOSURE HERE]

1. NatWest (2024) *0% interest Green Additional Borrowing mortgage* (Accessed on 8 October) Available at: <https://www.nationwide.co.uk/mortgages/borrowing-more/green-additional-borrowing>

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