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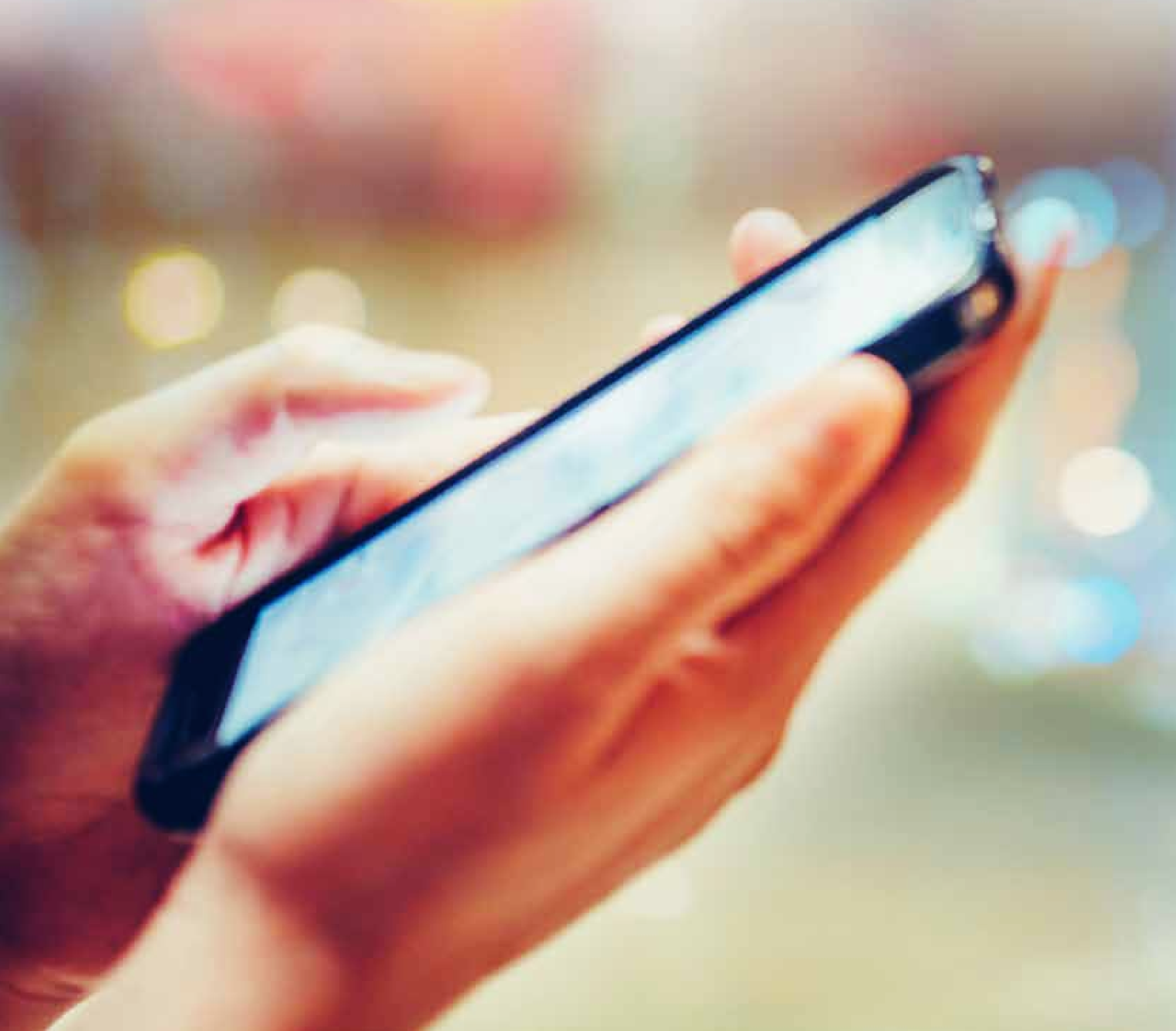
The answer's yes – your indisplensable guide to securing a mortgage



Hello from HOOCHT

These days, life moves faster than ever. To keep pace with it, we're used to doing everything at lightning speed, with the touch of a button or swipe of a phone or iPad screen.

That's how we do our shopping, book tickets and keep in touch with friends. So why shouldn't sorting our mortgage be just as straightforward?

With HOOCHT. it can. We use the latest technology to turbo boost our decades of mortgage expertise, finding the mortgage that's right for you, in the most convenient way possible... and in mere minutes.

We understand that securing a mortgage isn't just a financial transaction – it's a gateway to your property dreams.

So we've put together this mortgage guide to help demystify the whole process and give you some hints and tips, based on the kinds of questions our customers typically ask.

We hope you find it useful. We'll contact you in a few days to see how you're getting on and in the meantime chat to us at www.hoocht.com if there's anything else you need to know.

From all at
HOOCHT.

Getting a mortgage today

Sadly, things really ain't what they used to be when it comes to securing the mortgage that will unlock the door to your dream home.

Since the global financial crisis of 2008, it can be harder to get a loan if your credit status is anything short of squeaky clean.

Lenders – under pressure from regulators – can be very risk-averse when it comes to things like over-borrowing, being self-employed and any kind of credit defaults. Even the odd missed credit card payment can make the difference between a yes or a no.

Added to this, lenders are required to get to know you much better than they ever have. There is more regulation, which means that they have to ask you many more questions about your family circumstances, your earnings, anyone you are linked to financially and even your future job prospects, in order to be sure you can afford the loan they are considering giving you. There are good reasons for this, as lending too much without proper forethought was one of the causes of the credit crunch, and given how much it cost us all via the economic squeeze that followed, it's in everyone's best interests to make sure it never happens again.

Of course, there is a flip side to all of this and borrowing, when you can get it, is cheaper than it has ever been. The Bank of England Base Rate is stuck at historic lows and seems set to remain low for a while yet… but no-one really knows what will happen. So, if you can get yourself into a position to convince the banks you're a safe bet, acquiring the property you want can be more cost effective than ever.

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How much can/should I borrow, and over how long?

It's difficult to believe, looking back, that it was once possible to borrow a quarter more than your home was actually worth, with the famous 125% mortgage from a lender that, tellingly, is no longer around.

Nowadays, you can usually borrow up to five times your income. Only those with the best credit status are likely to be allowed to borrow up to this kind of maximum, though. And don't forget that lenders will take into consideration all of your borrowing when calculating the maximum amount you are allowed to borrow.

It is still possible to secure a first-time buyer mortgage with a five per cent deposit, but the more you have to put down, the better the interest rate you can expect to pay.

As always, no matter how much a lender is prepared to give you, you need to consider your personal circumstances and the kind of lifestyle you want. How much cash are you realistically prepared to give over to your mortgage each month? The answer to this question will give you a good idea how much you really want to borrow.

How long you can borrow that money for will depend largely on your age. There are still longer term mortgages to be had, for example 35 years, to help you reduce your payments by spreading them out over longer. But most lenders won't allow you to go beyond the age of 70 for repaying your mortgage these days.

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Other types of mortgages

Property investment is still a popular choice, and many people see it as a source of additional income or even a future pension fund.

To secure a buy-to-let deal, you'll ideally need to have a 25 per cent deposit and, although your personal financial situation is not as relevant as it is for a traditional residential loan, you will need a decent credit score to demonstrate that you can handle the rigours of property investment. Then, you'll need to do your research and make sure that your property has the potential for monthly rental income higher than the monthly mortgage payment, referred to as a good rental yield.

We cover some frequently asked questions about different types of mortgages and what you can and can't do in today's market, in the FAQs section of our website, at www.HOOCHT.com

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5 simple steps that will give you the best chance

STEP 1
Understand your credit status

Get hold of your credit report. There are plenty of free options available for basic credit reports these days, which are easy to find and sign up for. If you suspect there's something in your past credit history that could cause you a problem, though, it's worth paying for a more detailed report.

STEP 2
Build a clear picture

Skeletons in your credit closet are never good, so make sure you've got them all out into the daylight before applying for your mortgage. Having a clear and true perspective on your status will help us ensure we put you forward to the right lender, and the right deal. Any unknown information could slow things down or lead to a rejection later on.

STEP 3
Put things right

Lenders do get it wrong sometimes. One of the reasons it's important to check your credit report, is to make sure there are no errors on it that could cause you problems unfairly. Such as defaults that didn't happen or other mistaken information. If you can provide evidence of why these are incorrect, the credit report provider will put them right for you.

STEP 4
Plan ahead

If you know you're going to be applying for a loan in six or 12 months' time, start to build your credit record in advance. Try to see it from a lender's perspective and clear as much debt as you can, build a pot of savings and make sure you're on the electoral roll.

STEP 5
No credit isn't good credit

You might think that not borrowing at all is the best policy, but actually the opposite is true and lenders like to see a track record of managing financial responsibilities properly. So having a credit card or two, or a loan, and showing that you can keep up the repayments, might actually help your case. So long as you remember your affordability.

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The mortgage process demystified

If you're looking to remortgage, chances are you've already got a mortgage and you're familiar with the process. If not, you might feel a little bit bamboozled by the whole thing.

No need! We're here to explain and support you though it, step-by-step.

1. The first step is to find out how much you can realistically borrow, based on your earnings and those of anyone you intend to borrow jointly with; your financial track record and income. It's best to do this before you start the fun process of house hunting, so that you don't develop unrealistic expectations and end up disappointed! We offer our 'Quick Quote' option to help you calculate your amount..

2. Have a more detailed chat with one of our mortgage experts, where we will look in more detail at your personal circumstances, and issues that could affect your ability to borrow. We can then match you with available deals that might meet your needs, taking into account factors like whether you prefer a fixed or variable rate, and for how long. You can do this with a member of our team for FREE via our online chat function.

3. Once we've found an option you're happy with, we'll ask you to supply us with some information and documents so that we can submit your case to the lender. These will include your last three months' bank statements, last three months' payslips and potentially some form of ID or proof of address. However, HOOCHT. has a special way to ID you. The quicker you send these to us, as scanned email attachments, the faster we can progress your case to the next stage.

4. Hopefully, this will result in you receiving your 'Agreement in Principle'. This is a kind of promise from your lender that, based on the details you have submitted and their credit search, they are prepared to lend you the mortgage. Sometimes a lender might have further questions after that, as they dot the Is and cross the Ts, in which case we'll do our best to deal with these for you, and only call you if necessary.

5. Once the agreement in principle is issued, your case will then progress to application stage, at which point we may need a couple more details to then send the application to the lender.

6. Once your application is underwritten and accepted, the lender will commission a valuation report, to check that the property you are borrowing against is worth as much as you say it is. You are unlikely to see the results of this survey. If you want a more detailed insight into your intended property, including its state of repair and any potential issues, from dry rot to subsidence, you will need to commission a homebuyer's report or full structural survey. These will obviously cost more, but we will make you aware of these at that point. Once your mortgage lender's underwriters are satisfied with this and further checks into your status, your lender will make your formal mortgage offer.

7. Once this is all done, you're ready to go, subject to your solicitor confirming to your lender that everything is above board with your property, in terms of local authority searches and the necessary insurances. You and your vendor (if you are buying a property) will then sign your respective contracts and agree a date to exchange them. Once you've done that, the agreement becomes legally binding and you will agree a date to transfer the funds to either buy your new home, or clear your outstanding balance with your previous lender if you are staying put. Once this is done, you will receive your keys. Around this time, your lender will write to you, to let you know how much your first mortgage payment will be. This whole process can take an average of four weeks, so long as no unforeseen issues emerge.

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Mortgage checklist

We have the technology to begin your mortgage process in minutes, and there are some things you can do to help us help you in the shortest time possible.

Following the steps outlined in this guide will take you a long way towards it, and then you also need to make sure you've got the following information at the ready:

- Photo ID (passport or driving licence)
- Last three months' bank statements
- The last three months' payslips for each applicant if employed
- Self-employed applicants will need two years' accounts or some lenders will accept accountants' certificates to make things easier.

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