

# Mortgages/House Purchase



“At any one time there are thousands of products available to you. Don’t gamble on what could be the biggest financial decision you ever make lifetime”

## Why should you consult an independent financial adviser

Mulberry IFA have a clear advantage over direct lenders. Whereas banks and building societies may only offer their own mortgage products, as independent advisers, we have access to virtually the whole UK mortgage market, some of which are exclusive products, designed for clients with specific requirements.

For most people, purchasing their home is the largest single investment they will ever make. Few purchasers can buy their property outright from their own resources and a loan of some sort will usually be necessary. Generally the type of loan arranged is a mortgage, which simply means that the property is the security used to raise the loan.

When taking out a mortgage there are a number of aspects that you will need to consider, including the nature of the loan itself and the way in which to repay the mortgage.



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The right mortgage could save you thousands

Whatever your requirements, Mulberry IFA are able to give you advice and recommendations on:

Arranging a mortgage, which will allow you to purchase your new home, and if necessary finance the various improvements you want to make to the property.

Obtaining the highest possible mortgage in relation to the value of the property and your incomes.

Re-arranging your existing mortgage to obtain a more competitive mortgage package than currently offered by your present lender, or to increase the amount of the loan to either fund various home improvements or consolidate other debts.

Mortgages for the self-employed.

Mortgages for business owners

Mortgages for investment properties– We have specialist mortgage advisers who have been involved in this market since its inception.

At present the mortgage market is very competitive with different interest rate options and further variations continually being introduced. We will talk you through the different methods of purchasing a property and we will recommend the most appropriate option for you. Below are just a few of the options available.



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## *Variable Rate Mortgages*

The variable rate mortgage is often regarded as a more conventional product and most widely available. As its name suggests the level of repayments varies with interest rates. The advantage is that you know you will not be paying more than the prevailing rate, however, the level of monthly payments can be unpredictable.

## *Fixed Rate Mortgages*

With a fixed rate mortgage you have the advantage of knowing that your household budget will not be affected by changes to your repayment level for the period the rate is fixed. If interest rates rise then repayments will remain the same, although, if rates drop substantially, you could be paying more than the prevailing rate. At the end of the fixed rate period your loan will normally switch to the standard variable rate.



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Variable Rate  
Fixed Rate  
Capped Rate  
Cap & Collar  
Cashback loans  
Discount

## *Capped Rate Mortgages*

Capped rate mortgages provide the security of a fixed rate with the advantage that if interest rates fall, the amount you pay also goes down. The rate you are initially quoted is the ‘cap’ and this will not increase if the standard variable rate rises above that level. The capped rate will normally apply for a fixed period after which the rate will switch to the standard variable rate.

## *Cap and collar*

The lender guarantees that the interest rate on the loan will not rise above a given level (the cap). However, there is also a minimum rate below which the interest will not fall (the collar). The arrangements continue for an agreed period after which the rate will switch to the standard variable rate.

## *Cashback loans*

As an incentive, the borrower receives a cash lump sum (usually 2-3% of the mortgage) when the loan is taken. The Inland Revenue has confirmed that such payments are generally tax-free.

## *Discount*

The interest rate charged is reduced from the standard rate. Usually this is for a brief initial period (typically six months to one year) but may be throughout the term of the loan for high equity mortgages.



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The wrong mortgage could cost you thousands

Using Mulberry IFA will give you the expert advice to guide you through what can seem a daunting task of choosing the right mortgage.

We will provide you with an initial mortgage report, which will tell you about the different ways in which you can repay your mortgage. It will also contain details on the different schemes available and the associated costs incurred. We will also provide illustrations of typical monthly repayments needed to fund your mortgage costs.

We have access to a number of systems, updated on a daily basis, which provide us with information on all mortgages available. We also have access to a number of schemes which are exclusive to intermediaries, Mulberry IFA being members of certain affinity groups.



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**The Solution** Mulberry IFA will guide you through all of the issues to find the most appropriate solution for you.

Contact us as below –

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