



GUIDE TO MORTGAGES FOR FIRST TIME BUYERS

Buying a new home is one of the most important purchases you will make & buying a home for the first time can be a daunting experience.

With the ever changing mortgage market, it can be all too easy to not know where to begin your search for the best mortgage for you. This is where working with an independent mortgage adviser can make your life simpler.

There are a number of stages in this journey & our advisers will support you through each step, from the initial Fact Find meeting to collecting your keys.

Our dedicated administrative team will work along the advisers to ensure that your purchase goes as smoothly as possible. We know that there often aren't enough hours in the day to personally call solicitors & your mortgage lender, so our admin team will ensure you get regular updates on how your mortgage is proceeding, taking the stress out of the process for you.

The vast experience of the whole team at White Mortgages Ltd will ensure that buying your first home will be as stress free as possible, allowing you to relax before moving day.

STEP 1 - AGREEING YOUR BUDGET

Before you go looking for your new home, it's vital that we calculate how much you can afford to borrow & more importantly how much you can afford to repay.

When you book an appointment with an adviser, you will receive an email asking you to upload some documents to our secure Portal.

These documents include; proof of address, copies of your payslips & your most recent bank statements.

We request these documents for a number of reasons; the first being so that we know who you are!

The pay slips & bank statements give our advisers an insight into what financial commitments you currently have.

By having an open and honest conversation around your current financial commitments, our advisers are able to agree a realistic budget for you.

In this budget, your adviser will include all of the fees that come with purchasing a house, including solicitors fees.

STEP 2 - OBTAINING AN AGREEMENT IN PRINCIPLE

An Agreement in Principle (AIP), sometimes known as a Decision in Principle or a Mortgage Certificate, is an agreement from a lender to lend you a certain amount of money, subject to checks.

In the Agreeing Your Budget appointment, your adviser will complete a Fact Find with you. This gives them all of the information that they need to go to different lenders to apply for an agreement in principle.

We want to ensure that you get the best deal for your circumstances, so before we approach a specific lender your adviser will conduct a 'whole of market' search to see who can offer you the best deal.

This is a distinct advantage of using an independent mortgage broker as they will scour the market to find you the best deal.

Once a lender has been decided upon, your adviser will use the information gathered in your Fact Find to complete an AIP.

As soon as your AIP has been agreed, you are in a strong position to start house hunting. Having an AIP shows agents and sellers that you're a serious buyer, with a mortgage lined up.

STEP 3 - FINDING A PROPERTY

Most buyers start their property search online, websites such as RightMove and PrimeLocation are an excellent place to begin your search.

Seeing as many properties as you can is a great way to get an idea of what you like.

It allows you to see what type of property is available to you in your price range & the location in which you'd like to buy.

As a first time buyer, you also have the advantage of not having to pay Stamp Duty, providing the property is below £300,000, with a discounted rate on any property below £500,000.

9 Questions to ask when viewing a property.

- 1) Why are the current owners looking to sell the house?**
- 2) How long has the property been on the market?**
- 3) Has the house had any major building work done recently?**
- 4) What's the parking situation like?**
- 5) How much will the bills be?**
- 6) Is the property part of a chain?**
- 7) Does the local area have any issues to be aware of?**
- 8) What's included in the sale?**
- 9) Who are the neighbours?**

STEP 4 - MAKING AN OFFER

You've found the right property for you, now's the time to make an offer. For first time buyers this can be daunting but we're here to guide you through.

An aspect of our service that clients comment on time & time again is that your adviser can help place your offer for you.

Having worked in the Lincoln area for many years, our advisers have excellent relationships with local agents & are happy to communicate your offer to them.

When making an offer, don't be afraid to go below the asking price. In your viewings, you'll have got an idea of if the seller wants a quick sale, so may be willing to go below the asking price. Remember; if you don't ask you don't get. If you don't personally feel confident in negotiating, you can instruct your broker to do this on your behalf.

Another important aspect to remember when putting in your offer is to make it 'subject to survey & contract', this allows you to withdraw if you find out anything you've not discovered so far in the process, although in England an offer is not legally binding. Your adviser will also suggest that when you submit your offer, you ask for the property to be taken off the market to avoid the seller taking a higher offer from another party.

STEP 5 - SUBMIT YOUR MORTGAGE APPLICATION

It is this stage that it's invaluable to have a mortgage adviser. Although it is possible to complete a mortgage application yourself, utilising an expert in this field ensures that your application is accurate.

Although each lender has their own requirements for processing the application, most require the set of documents that you have provided your adviser with at the start of this process.

At this point, the administrative team may be in touch to ensure that we have the most up-to-date documentation for you or to gather any other documents that your lender may require.

At this point, your adviser and the administration team will be working behind the scenes to ensure that your application is processed in a timely manner.

They will keep you updated at all points during this process and let you know if they need any further documentation.

STEP 6 - INSTRUCT A SOLICITOR

Once your offer has been accepted, you'll need a solicitor or licensed conveyancer to handle to conveyancing. Conveyancing is simply the legal process of transferring a property from one owner to another.

Knowing which solicitor to use can be a challenge, especially if you've never had to use one before, your adviser can recommend a reliable & competitively priced solicitor.

By using a recommended solicitor, you can feel secure knowing that you will have a solicitor that has a strong working relationship with your adviser. This gives you the peace of mind that your home buying process is in safe hands.

After you've instructed your solicitor, the seller's solicitor will send a contract to your solicitor. This will include information such as the price of the property and it's boundaries; it will also state the proposed date of completion.

Your solicitor will also check the contract, all associated legal documents and find out the property's history. They'll also contact the local authority to ask about any planned roadworks or developments that might affect the property.

Our team will be in regular with your chosen solicitor to ensure that things are progressing and to keep you updated.

STEP 7 - VALUATION & SURVEY

Before making you a formal mortgage offer, your lender will do a basic valuation/survey to make sure that the property is worth the agreed price. However you may want to instruct a more comprehensive survey to ensure you avoid any nasty surprises later on.

There are three levels of survey, which your adviser will discuss with you, from a basic valuation to a full structural survey.

Your adviser will be able to talk you through the most appropriate survey for your needs.

The three most common levels of survey:

1) Basic valuation & survey

This is carried out on behalf of your mortgage lender & is fundamentally to check the property is worth the agreed price.

2) Homebuyers Report

This survey is intended to provide an overview of the general condition of the property. It usually includes a surface examination of the parts of the property that are visible. Services are inspected but not tested.

3) Full Structural Survey

This type of survey tends to be carried out on properties more than 100 years old, listed buildings or buildings that have any unusual constructions.

STEP 8 - OBTAIN A FORMAL MORTGAGE OFFER

Once your lender is happy with the valuation, reference and credit checks, you will receive a formal mortgage offer.

At this point, your adviser will check this document to ensure that the terms and conditions are as expected, and confirm that your solicitor has received a copy of the offer documentation too.

Once the formal mortgage offer has been signed and returned, you're ready to exchange contracts.

It's important to remember that everyone in the chain has to reach this point to exchange contracts and agree a completion date, so there may be a short wait before a completion date can be agreed.

It is a legal requirement that you have buildings insurance in place by exchange of contracts in case something happens to your property, so your adviser will ensure that your mortgage is fully protected from this point.

STEP 9 - EXCHANGE CONTRACTS

By this time, your solicitor will have finished all the paperwork, such as carrying out a local search, and a draft contract will have been approved for signing.

The contract is a legally binding document that commits both you and the person selling their property to the deal. There's no backing out once the contract is exchanged.

That's why it's essential that all of the following steps have been completed before you exchange contracts.

Check these have been completed:

- Your solicitor has completed all the searches
- You have received a copy of your mortgage offer (in writing) from your lender & are happy with the terms and conditions
- You have your deposit available
- You have agreed a completion date with the seller and it is noted within the contract. This is usually about two weeks after the contracts have been exchanged but may be less if all parties agree.

STEP 10 - COMPLETION

Completion day is the day where it all comes together.

By the end of the day, providing everything goes to plan, you will be a home owner.

On completion day, your solicitor or conveyancer pays the rest of your money from your lender to the seller, as well as any outstanding deposit from you (this is only if your deposit is greater than 10%). You will also pick up the keys to your new home.

Completion day tends to be on a weekday as the money transfer needs to be done by a conveyancing solicitor.

Prior to completion day your solicitor will ensure that all the mortgage conditions have been satisfied & request the money from your lender.

On completion day, both the seller's & buyer's solicitors will undertake final checks. The buyer's solicitor will then put the balance of the transfer money into the banking system to transfer it to the seller.

They'll also ensure any fees/invoices are paid then release the keys from the estate agents.

Once you have the keys, you're ready to move in.