

# **Home Mover Mortgage – What you need to know**

Moving homes can be both exciting and stressful. Whether you're moving into a bigger home or you're looking for something a bit smaller, it is important that you find the right mortgage. If you currently own your own home, finding the right mortgage is not necessarily easier the second time around. You'll have the added strain of trying to find a buyer for your existing home making everything even more complicated. In this guide, we'll talk you through your home mover mortgage options so that you can make an informed decision about what will work best for you.

## **What is a Home Mover Mortgage?**

When you are moving to a new home, you have three options. You can either move your existing mortgage over to your new property, this is known as porting, or you can find a new mortgage by remortgaging with your current lender, or you can take out a mortgage with a new lender. Here is a bit more information about each of those three options.

## **What is Porting?**

Many mortgages are portable. This means that you can move your existing mortgage over to a new property. When you do this, you will still need to go through the process of applying for your loan, and you may need to increase the loan amount if your new home is more expensive than your current property. If you do need to increase the loan amount, then your lender may require that you take out an additional mortgage to cover the price difference between the two properties. This will come with additional costs in the form of an arrangement fee. Check with your lender to find out how much this will be.

## **Remortgaging With Your Existing Lender**

Your next option would be to totally replace your current mortgage by taking out a completely new loan with your existing lender. You may well be able to find a better rate doing this, however, you may have to pay extra costs. To leave your current mortgage deal, you will often need to pay an early repayment charge. This can be anything from 1% to 5% of your total mortgage and the amount that you will pay will depend on how much time you have left on your existing deal. The nearer you are to paying off your mortgage, the less you will need to pay. You may also get charged an exit fee, as well as an arrangement fee and a valuation fee on your new mortgage. It is essential that you check which fees you will need to pay and how much they will be before you make a decision.

## **Remortgaging With a New Lender**

Your third option would be to find a mortgage with a new lender. You would then use this mortgage to pay off your existing mortgage, or you could also pay off your old mortgage when selling your house. There will again be early repayment fees as well as exit fees for leaving your existing mortgage early. You will also need to pay the arrangement and valuation fees for the new mortgage too. Always remember to include all of the fees when making a decision about whether to switch to a new lender.

## **How Is Your Mortgage Affected By Upsizing?**

If you are moving into a home that is more valuable than your current home, then you will need to prove that you'll be able to handle the additional loan amount. You will have a better chance of doing this if your current home has increased in value since you first bought it. If your wages have risen or your outgoings have decreased over time, this will also be helpful in satisfying a lender. If you have had any difficulties keeping up with your payments on your existing loan, then you may find it harder to secure a mortgage on your next property.

### **How Is Your Mortgage Affected By Downsizing?**

If your plan is to move to a smaller, less expensive property, then you should find that your loan size will decrease. This, in turn, will cause your monthly payments to drop too. There may also be a chance that you could buy your new home outright if the value of your existing home has increased, and the difference in value between the two properties is wide enough.

### **How Does Negative Equity Affect Your Mortgage?**

If your existing home has decreased in value, then it is said to be 'underwater' or in negative equity. If your home is in negative equity, then you will have less capital / deposit to transfer to a new mortgage. Some lenders may provide you with a new mortgage if moving is a necessity; for example, if you needed to move because of your job.

### **How To Find The Most Appropriate Deals**

There are many different options out there in terms of mortgages and finding the right one can be both time-consuming and complex. There are, however, tools available online that allow you to compare different mortgage deals. You will need to remember to include all of your early repayment fees, exit fees, arrangement fees, valuation fees, along with any other costs when it comes to working out how much you will need to borrow and how much your new mortgage will cost you.

### **How Can a Mortgage Broker Help?**

Before you make a decision about whether you will remortgage with your existing lender, take out a new mortgage with a completely new lender, or port your existing mortgage, you should weigh up all of your options. With a variety of different mortgages available and different fees applicable to each option, you will need to thoroughly compare all of the different mortgage options available. Speak with one of our specialist mortgage brokers before you make a decision. We have a good understanding of all of your options and can assist you in calculating and comparing the different mortgages, we'll help you to find the type of mortgage and mortgage rates that work best for you.

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**We will charge a fee of between £99.00 and £999.00. The amount we will charge is dependent on the amount of research and administration that is required. Please refer to the Terms of Business for further information.**

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