

Remortgaging and Refinancing



Your Guide



At Prestige Private Finance, we understand that your mortgage is one of your biggest financial commitments.

Whether you're looking to save money or unlock the equity in your home, remortgaging can be a smart move.

This guide is here to help you navigate the process, so you feel confident and supported every step of the way.



Why Remortgage? _____

Remortgaging simply means switching your current mortgage for a new one. There are two main reasons you might consider this:

To Save Money

Even a small change in your interest rate can add up to significant savings over the term of your mortgage. By regularly reviewing your mortgage deal, you can secure a better rate or even shorten your loan term, saving you money in the long run.

To Release Equity

If your property has increased in value, you might have built up equity. Remortgaging allows you to unlock this equity to fund home improvements, buy a new car, consolidate debt, or for other needs. This can often be cheaper than taking out a personal loan.

Don't Forget

When your mortgage deal ends, you'll usually move onto your lender's Standard Variable Rate (SVR), which could be much more expensive.

If this happens, act quickly to avoid paying more than you need to.

You should be speaking to us up to 6 months before your current deal ends so we can secure rates and put a plan in place for you.

How Does Remortgaging Work?

Remortgaging works much like getting a new mortgage, but it's often simpler because you're not buying a new property. In many cases, it can all be done online.

You'll need to get your property valued and appoint a solicitor to handle the legal side. Some remortgage products include these costs as part of the offer, making the process more affordable. You'll also need to provide supporting documents like ID, proof of address, bank statements, and income evidence. If you're self-employed, you'll need your business accounts or tax returns.

Once everything is approved, your new lender will pay off your existing mortgage and your new one will start. If all goes smoothly, the process can take around four to eight weeks. Planning ahead can help avoid delays.



Is It a Good Idea to Remortgage?

Just because you can remortgage doesn't always mean you should. Here are a few reasons why you might want to wait:

- You're already on a great deal: The costs of switching might outweigh the benefits.
- Exit fees: Some mortgages have early repayment penalties that could cancel out any savings.
- Your loan amount: If you're borrowing too much or too little, you might not get the best rates.



Let's Talk Numbers

The mortgage market is competitive, which is good news for you. Here's what to keep in mind:

- Loan to Value (LTV): The lower your LTV, the better the rate you're likely to get. Most lenders have a maximum LTV limit, but we have access to a wide range of products, including those with higher LTVs.
- Costs: While you don't need a deposit for remortgaging, you may face costs like valuations, legal fees, and lender arrangement fees. Early repayment fees can also be a factor, so it's essential to do the maths and make sure the savings outweigh the costs.



Can I Remortgage Any Mortgage Type?

It's not just regular residential mortgages that qualify for remortgaging. You can also remortgage:

- **Shared Ownership:** There are fewer lenders offering products for these, but it's still possible.
- **Help to Buy (Equity Loan):** This can be more complex, especially if you're repaying the equity loan.
- **Buy-to-Let:** Lenders will look at rental income and property value, much like with a purchase.
- **Interest Only:** You'll need to meet strict criteria, including income and equity requirements.

WHAT IF I HAVE BAD CREDIT?

If you have bad credit, remortgaging can be more challenging—but not impossible. Specialist lenders are available, and we can help you find the right one for your situation.

Over time, credit issues become less significant, so waiting could help improve your chances. If you need advice, our team is here to guide you through the process.

GETTING THE RIGHT MORTGAGE

There's no one-size-fits-all solution when it comes to remortgaging. Here are some tips that can help:

Do Your Research

- Take time to understand the market and compare rates, fees, and introductory periods. Don't forget to check what your current lender can offer, as staying put might save you on fees.

Check Your Credit Score

- Ensure your credit rating is in good shape before applying. This helps avoid surprises and boosts your chances of approval. You can check it [here](#) for free.

Know Your LTV

- Your loan-to-value ratio will affect the deals available to you. Even though you don't need a deposit, having extra savings can help reduce your loan and secure a better rate.



CHOOSING THE RIGHT INTEREST RATE

The right interest rate depends on your needs. Here's an overview:

- **Fixed Rates** These provide certainty, as your payments stay the same even if interest rates rise. However, if rates drop, you won't benefit.
- **Tracker or Discounted Rates** These can be more flexible, allowing you to benefit from lower rates if the market changes. But if rates rise, your payments will increase too.

MAKING REMORTGAGING EASIER

Here are a few simple ways to improve your chances:

- **Register to vote:** It may seem small, but it's an easy way to boost your credit profile.
- **Pay bills on time:** Missed payments can affect your credit score, making it harder to remortgage.
- **Check your unused credit:** Close old credit cards and avoid payday loans, as these can raise red flags with lenders.

Every remortgage deal is personal. What works for someone else might not be right for you. Take your time and consider all your options carefully.



LET US DO THE HARD WORK

Remortgaging doesn't have to be stressful.

With access to thousands of mortgage products, many of which aren't available on the high street, our team can help you find the best deal for your situation.

Simply give us a call, answer a few questions, and we'll handle the rest.