

Free Report

Mortgage terms explained in plain English

With the compliments of



Ronan Property Services Cost Effective House and Property Solutions

When looking for a mortgage you will come across a minefield of technical terms and jargon.

This comprehensive jargon busting report explains in clear and precise terms what all this means in clear everyday English.

Disclaimer

This guide is for information only and should not be relied upon as definitive. Details have been obtained from various sources and although we have done everything possible to ensure that it is correct, we cannot accept responsibility for it or guarantee its accuracy. This is because processes laws and financial products change frequently, and may vary dependant upon personal circumstances. You are welcome to use the information provided, but should always obtain confirmation of specific details and get independent specialist and legal advice.

A

Ability To Pay

A way of working out how creditworthy a borrower is, by estimating how much they will have left to make payments on a mortgage after other deductions have been made from gross income.

Acceleration Clause

Allows the lender to collect the balance of a loan if a borrower misses one or more payments.

Acceptance

A positive response to an offer. Acceptances may be 'conditional', 'express', 'implied' or 'qualified', depending on the circumstances of the deal and whether there are any further mitigations, conditions or requirements.

Accident Insurance

Insurance that covers you if you suffer certain injuries, such as loss of a limb or vision.

Accident, Sickness and Unemployment Insurance

Insurance cover arranged by the borrower to protect against inability to meet mortgage payments. Unemployment cover is restricted to cover certain events only. Exclusions to this insurance include dismissal due to professional misconduct or taking voluntary redundancy.

The accident and sickness cover does not cover any act of self-injury or any injury

related to the use of alcohol or drugs.

Additional Principal Payment

An extra payment each month to help reduce a debt.

Additional Security

When a mortgage exceeds a certain loan-to-value, lenders may require additional security. The simplest form of additional security is a single mortgage loan-to-value; however other security such as cash or shares may be accepted as security.

Administration Charge

Some lenders will reserve a proportion of the fee charged for the valuation to cover their own costs. If an application does not proceed, this part of the valuation fee may not be refunded, even if the valuation has not taken place. Also see valuation fee.

Advance

The amount of your mortgage/loan. Also see also Cash Advance.

Affidavit Swear Fee

A fee charged when a mortgage lender is required to swear an affidavit. This is a written legal statement to a solicitor in connection with mortgage arrears.

Agreement In Principle

This means you have been accepted for a mortgage or other financial product, but it will depend on issues such as a valuation report and confirmation of employment.

Annual Bonus

A bonus paid annually on an endowment mortgage which is dependent on the performance of the investment fund being used to repay your mortgage.

Annualised Percentage Rate (A.P.R)

An explanation to identify the true cost of borrowing and a standard in order to provide a method of comparing costs of different loans. It is a legal requirement that a true APR figure be provided with any loan.

Annuity Mortgage

Another term for a capital & interest repayment mortgage.

Application

The process of applying for credit, or other products. The vast majority of credit applications need to be made in writing, although it may be possible for some services, such as an overdraft extension, to be arranged over the phone. Even internet based credit applications will usually require you to sign documents before the application is finalised.

Application Fee

Any charges made for an application.

Applied or Nominal Interest Rate

Rate used to calculate interest due.

APR

See Annualised Percentage Rate.

Arrangement Fees

The same as reservation, booking and product fees. A fee charged by a lender for setting up the loan. Normally payable upon completion but may sometimes be added to the loan.

Learn more about arrangement fees on our mortgage fees page.

Arrears

A late payment, or a payment after the event, for example most salaries are paid "monthly in arrears" - i.e. the first payment is one month after commencement of work.

Arrears Fee

Charges for any late payments. See late payment fee.

Asking Price

This is the initial starting price for which the property owner is looking to sell their property.

Association of Home Information Pack Providers (AHIPP)

AHIPP is the body set up to represent organisations that provide Home Information Packs (HIPs), a Government initiative fully implemented on 14 December 2007 to speed up the home buying process. The organisation has established a code of conduct, which its members must abide by, along with a redress regime for consumers.

Website: www.hipassociation.co.uk

Learn more about Home Information Packs in our Moving Home section.

Association of Mortgage Intermediaries (AMI)

This is the trade body for UK mortgage brokers. It is a not-for-profit organisation funded by its members and industry supporters. AMI presents the collective view of its membership to regulator the Financial Services Authority.

AMI is aligned to the Association of Independent Financial Advisers (AIFA), which offers the same services for those brokers whose remits extend beyond mortgages alone. Websites: www.a-m-i.org.uk, www.aifa.net

Association of Residential Letting Agents (ARLA)

As the professional and regulatory body for UK residential letting agents, ARLA has 1,800 offices around the country. Members must demonstrate a thorough knowledge of their profession and good business practices and comply with a code of practice laid out by ARLA. They must also have professional indemnity insurance to cover themselves in the event of a complaint by a consumer.

Website: <http://www.arla.co.uk/>

ASU

Income protection cover for loss of earnings caused by accident, sickness, or unemployment.

Audited Figures

These are a set of business accounts that have been ratified by an accountant. Self employed people may need to provide 3 years worth of figures checked by an auditor to be able to get a mortgage.

B

Bankruptcy

The process of declaring an individual bankrupt. Bankruptcy can be discharged within 12 months, but remains on your credit rating for seven years and limits a person's ability to borrow.

Bank Rate

The basic interest rate set by the Monetary Policy Committee of the Bank of England.

Base Rate (BBR)

Also known as the Bank of England Base Rate.

The Bank of England Base Rate is the main interest rate for the UK. It is set by the Monetary Policy Committee (MPC) of the Bank of England every month. The MPC consists of a group of independent experts appointed by the Bank of England who meet at the beginning of every month to assess the current economic situation and decide if the Base Rate should go up, come down or remain the same. The rate tends to be changed by a quarter of a percentage point at a time.

Website: www.bankofengland.co.uk

Basis Point

A basis point is 1/100th of 1%. For example the difference between a loan at 9.00% and a mortgage at 9.12% is 12 basis points.

Benefit Period

Time frame in which the interest rate of a mortgage is discounted. (See fixed or capped).

Booking Fees

The same as arrangement, reservation and product fees. A fee charged by a lender to secure mortgage funds, payable at the time the loan application is submitted and normally applies only to special offer loans, such as fixed or capped rates.

Breach Of Contract

Failure to fulfil the term and conditions of a contract.

Breach Of Covenant

Failure to obey a legal agreement.

Bridging Loan

Short-term loan used as coverage when buying a new property before selling an existing one.

Broker

A third party individual who attempts to find the best available financial or other package. Brokers could be affiliated with a larger network in finance, or they may be independent.

Broker Fee

A fee charged by an intermediary to the applicant for negotiating a loan. If a loan has not completed within six months of the date of introduction to a lender, the maximum fee that a broker may retain is £300, under the Consumer Credit Act.

Building Societies Association (BSA)

This organisation is the trade body for all UK building societies. There are 59 building societies in the UK with total assets of just less than £325bn. Building societies differ from banks in that they are mutual organisations, which means that most of its customers (borrowers, savings and current account holders, etc) are members and have rights to receive information, vote on important decisions and attend society meetings. On the other hand, most banks are listed companies with external shareholders that are paid a dividend out of the banks profits.

Website: <http://www.bsa.org.uk/>

Building Society

Building societies are mutual organisations owned by their members and regulated by the Buildings Societies Act.

Buildings Insurance

An essential insurance policy which covers the structure of the building. Where the property is leasehold the buildings insurance will normally be arranged by the freeholder and the cost charged on to the leaseholder within the service charges payable.

No lender will agree to give you a mortgage without building insurance. If you are the freeholder (you own the building and the land that it stands on), it is your responsibility to arrange the building insurance.

If you are a leaseholder (which usually means you live in a block of flats) it is the responsibility of the freeholder to arrange the building insurance, so ensure they have done this.

When you buy a freehold property funded by a mortgage, you are obliged to take out buildings insurance. This cover pays for the cost of rebuild, should your property be burnt to the ground or need shoring up if it suffers subsidence, for example. It is also advisable to insure the contents of your home.

Buy to Let Mortgage

A mortgage for a property which the owner intends to rent out privately to tenants. See commercial mortgages.

C

Cap and Collar

See capped rate.

Capital Raising

The act of remortgaging a property based on a higher value compared to the original purchase price. The capital raised is the amount left over after repayment of the original loan is deducted from the new loan. Some lenders will also take into account home improvement projects as part of the remortgage, if they are likely to significantly raise the value of the property.

Capped Rate Mortgages

The mortgage interest rate will not exceed a certain value during a certain period of time, although it will fluctuate above and below the current level. Some capped products will have a ceiling and a floor between which the rate payable may move; such loans may be known as cap and collar mortgages.

Cash Back Mortgages

Cash back mortgages provide you with a single lump sum of cash immediately on completion. The amount of cash is usually calculated as a percentage of the overall loan amount, though it can be a set figure. The percentage of the loan that is given as cash back can be as high as 5%, though amounts in the region of 1 to 3% are more common.

Cash Buyer

Person or persons who do not need a mortgage in order to buy a property and who do not have a property to sell.

CAT Standard

These are a set of standards proposed by the government aimed at ensuring a certain level of standard amongst financial products. Whilst they are a sign that a lender or provider is a reputable business and offers products that are of a certain quality, a CAT mark does not ensure that a product is the most suitable one for you.

CCJ

If payments on a financial agreement are not made, a magistrate may issue a county court judgment (CCJ) in the name of the individual. This greatly affects your credit rating.

A county court judgment is a judgment for debt in the county court. This debt does not appear in the credit register if this debt is settled within 30 days of the date of the judgment. Very few lenders are willing to offer loans to anyone with an outstanding or unsettled judgment, and even if the judgment has been settled many lenders are likely to refuse a mortgage or other credit application.

Centralised Lender

A general term applied to mortgage lenders, but not to high street banks and building societies, who mainly operate wholly from a head office location.

Certificate Of Deposit

Certificates from a financial organisation declaring you have the funds available to pay the deposit.

Charge

Security the lender relies on when granting credit.

CHAPS Fees

The CHAPS (Clearing House Automated Payment System) fee, also known as a telegraphic transfer fee, is supposed to cover the administration costs of transferring the lender's money to your solicitor. The cost nowadays is likely to be only a few pounds, and while some lenders may charge more than this, others do not charge anything at all so it's worth checking your lender's policy.

Code Of Practice

A group of principles and procedures individual employees of an organisation are expected to follow. This will cover such issues as client confidentiality, fairness and courtesy towards customers.

Collection

Steps taken by a lender to bring a person's payments back up to date.

Commercial Mortgage

Where the loan is granted for commercial purposes, and is usually secured against commercial property, though residential property may be used. With a commercial mortgage there is a higher rate of interest, as it is a higher degree of risk for the lender.

Commission

A percentage of the overall sale price that is received by the selling party when acting on someone else's behalf.

Common Law Partner

A partner who cohabits with his or her partner, and who can gain a number of financial benefits from such partner, without actually being legally married.

Comparison Table

A table giving comparisons between leading financial or other products to demonstrate which are the best performers under certain criteria. Remember that many such tables are a "one size fits all" covering a range of scenarios, and that the best way to evaluate your own options may be to draw up your own comparison table.

Completion

The moment at which all the legal formalities of the purchase or mortgage are finalised and the funds are drawn down from the lender, and usually into the solicitors account.

Completion Date

The official date for completion of a sale of a house, when keys are actually transferred.

Compound Interest

Interest on the interest.

Compulsory Products

Aspects of a financial contract that must be adhered to as a condition of the loan. An example of this income payment protection.

Conclusion of Missives

A Scottish term for exchanging contracts.

Conditional Insurance

An insurance policy that has to be taken out as a condition of obtaining a loan. It must usually be taken out via the lender's agency. See compulsory products.

Contents Insurance

This is the insurance of property within your home i.e. furniture, clothing, personal possessions etc. Contents cover is a separate type of insurance to buildings insurance, which covers the structure of your property.

Your lender will not insist on your taking out contents insurance, but it is highly recommended. If you ever need to make a claim, you will receive the cost of the replacements for damaged goods from your insurance company. Decide whether you want a new-for-old policy or cash, and assess the value of your possessions to make sure that you are not under-insured or over-insured.

Contract Work

Many employers offer employment under fixed-term contracts as they have a greater control over staffing costs and are able to limit their redundancy payment liabilities.

Conveyancing

The legal documentation relating to the transfer of ownership of a property.

Conveyancing Fee

A fee charge by a solicitor or licensed conveyancer for arranging the necessary legal work in transferring the ownership of a property. The total cost of the legal work also includes profit cost, stamp duty, land registry fees and disbursements.

Co-Ownership

Shared ownership, a method of purchasing property in partnership with a housing association, where the borrower purchases part of the property and rents the rest from the housing association.

Council of Mortgage Lenders (CML)

The CML represents the mortgage lending industry and its members account for around 98% of residential mortgage lending in the UK. Membership comprises banks, building societies and mortgage lenders, including Abbey, Chelsea Building Society, Halifax and Woolwich. The organisation provides statistics and research on mortgage related topics and maintains data on the top mortgage lenders in the UK

market.

Website: <http://www.cml.org.uk/cml/home>

Council Tax

An annual fee paid to a local authority to cover essential services such as road maintenance, rubbish collection and leisure centers. Council tax is based on the value of the property according to set bands.

County Court Fee

Fee for when a lender provides information to solicitors regarding county court rules when payments are in arrears.

County Court judgement (CCJ)

A county court judgment is a judgment for debt in the county court. This debt does not appear in the credit register if this debt is settled within 30 days of the date of the judgment. Very few lenders are willing to offer loans to anyone with an outstanding or unsettled judgment, and even if the judgment has been settled many lenders are likely to refuse a mortgage or other credit application.

Cover

The risk that an insurance policy protects against, such as third party, fire and theft.

Credit Averse

If a borrower has been bankrupt or has outstanding county court judgments they would be described as credit adverse.

Credit Check

Where an enquiry is made on the credit history of an applicant, normally by reference to one of the major credit agencies such as Equifax or Experian.

Credit Checking Agency

A service used by lenders and others to establish a level of risk involved in lending money or the granting of a tenancy.

Credit File

A record held by a credit reference agency on an individual or a company. You can inspect your own credit file by writing to the agencies.

Credit History

The history of a borrower's financial record.

Credit Rating

Rating used to establish risk involved in lending money. This is used in conjunction with credit history and financial status.

Credit Reference Agency

Companies that hold credit information one file.

Credit Scoring

A generalised way of assessing the credit application, carried out by scoring the answers given on an application. It is important that there are no missing answers on an application otherwise the result for the question becomes a negative.

Credit Worthy

A description of someone who is deemed by a lending institution to be a low risk to lend to (colloquial term). As with blacklisting, there is no such thing as a "perfect credit score", or someone who is "completely credit worthy", as there is always some element of risk involved when loans are made, and different institutions use different criteria when evaluating such risk.

Creditor

Person or company to whom a debt is owed.

Critical Illness Insurance

Insurance cover for major illness, diseases and other potentially fatal medical conditions.

Critical Illness Insurance pays out on the diagnosis of certain specified critical illnesses. Most policies will pay out following heart disease, a stroke, renal failure, cancer, paralysis, or a major organ transplant and coronary artery bypass surgery.

D

Daily Interest

Where interest is applied on a daily basis instead of the traditional monthly time frame.

Data Protection Act (1988)

Regulations introduced to protect the transfer of personal data within and between different organisations. Remember that every time you apply for a store loyalty card, credit facility or magazine subscription, you are handing over substantial amounts of personal data for organisations to trade in. Whilst this data may enable them to make special offers which "may be of use to you", it also means more opportunity to sell you products or services you would not otherwise have bought. If you are not the kind of person to say no easily, make sure you always tick the "no marketing material" box.

Debt

Funds owed to lender.

Debt Consolidation

Replacing a number of existing loans with a single loan from a new lender which may reduce your monthly payments by spreading out a larger loan over a longer period of time, and reducing the interest rate being paid.

Debt-To-Income Ratio

A method used by lenders to establish if a person is qualified to receive a mortgage or loan.

Deed

The document that proves you own the property. It will also show any land boundaries.

Deed Of Covenant

The document expressing the terms of a covenant (a binding agreement), which may typically be imposed by a lender to restrict certain activities, such as use of a house for commercial purposes, or sub-letting.

Deed Of Proxy

A document enabling one person to manage the financial and legal affairs of another individual.

Deeds Release Fee

This fee is charged by the lender for releasing the deeds of the mortgaged property and returning them to the owner or his solicitor, usually when the mortgage has been repaid.

Default

When a payment or a series of payments are missed.

Default Notice

A letter served by a creditor to the borrower to say that a credit agreement has been breached, and that action must be taken by the individual to prevent the creditor seeking repayment via a County Court Judgement.

Deferral Period

A time period on a loan during which no repayments need to be made. This is particularly popular with student and graduate loans, to enable young people to finish their studies, or to travel, before having to start making repayments. "Buy now, nothing to pay until next year" type offers in furniture and other stores also operate with deferral periods.

Deferred Interest

A type of loan where some or all of the interest owed by the borrower is added to the amount outstanding which therefore causes the borrower to owe much more than originally borrowed.

Delinquency

Not making payments at the correct time.

Delinquent Loan

A loan whereby the borrower is behind on payments. If payments are not brought up to date within a set time frame the lender may foreclose proceedings.

Dependant

An individual who depends financially on another person.

Despatch Fee

See deeds release fee.

Direct Debit

A method of making automatic payments electronically from a current account. Direct debits may be at fixed intervals - e.g. for a monthly credit card or quarterly fuel bill, and they may be fixed (e.g. a monthly membership fee), or variable, such as for a mobile phone bill. Direct Debits can also be for irregular payments, such as buying shares.

Direct Lenders

Lenders who operate on lower overheads, through use of call centres, mailing houses, or internet based operations, instead of an expensive branch-based network.

Disbursements

Search fees, land registration, stamp duties are all examples of disbursement.

Discharged Bankrupt

Person whose period of bankruptcy has ended.

Discharged CCJ

A county court judgement that has been paid.

Disclaimer

Any written notice designed to discharge liability of a company, for providing inaccurate information in a leaflet.

Discount Mortgages

Such products allow for a certain discount to the lender's Standard Variable Rate (SVR) typically for a set period of time. For example, if your lender's SVR is 6.75% and you have a three-year discount mortgage with a rate of 4.99%, you will receive a discount of 1.76% for three years and then pay the SVR of 6.75%.

Discount Period

Time period in which reduced payments are offered.

Discount Purchase Price

The price of a property which has been reduced below the open-market value, such as in the case of a right-to-buy purchase or a builder's discount. Under right to buy legislation, properties are not offered at the open market value, but at a discount, and if the property is resold within a three-year period, some or the entire discount will have to be repaid.

Discount Rate

The mortgage interest rate is lower than the current normal standard variable rate, but only for a certain period of time. Usually shown as a fixed percentage reduction to the lender's normal variable rate e.g. 2.00% discount for 2 years.

Discount Tracker Mortgages

Discount tracker mortgages work in much the same way as discount SVR mortgages,

the only difference being that the discount applies to the Bank Base Rate rather than the lender's own SVR. Lenders can offer a discount off their lifetime tracker mortgages for the first couple of years or more. For example, if the Base Rate was 1.25% and your mortgage was set to track it at -0.01% for two years, a change in the Base Rate to 1.00% would make the rate on your mortgage 0.99%. Alternatively, if the Base Rate rose from 1.25% to 1.5%, your rate would increase to 1.49%. However, because Bank Base Rate is currently so low, very few lenders are offering discounted trackers.

E

Early Repayment Charges (ERC)

A fee charged if you choose to move or pay off your mortgage before the end of an agreed term.

An Early Repayment Charge (ERC) usually applies to fixed and discounted variable rate mortgages. Often, they are calculated as a percentage of the outstanding loan. You usually only have to pay an ERC if you want to pay off your loan during the discounted or fixed period of your mortgage deal. But it is still essential to look at how long an ERC will apply to the mortgage, and whether it decreases with time. Your circumstances could change so the more flexibility you have, the better.

Most fixed deals nowadays do not come with any overhang. This means that ERCs do not apply once the rate converts to the SVR, so you are free to remortgage without paying a penalty. Watch out for deals that do have an overhang as they may cost you dearly in the long run.

Easement

A right of way giving individuals other than the owner permission to use a property for a specific purpose.

Endowment mortgage

A mortgage with an interest payment and a separate payment into an endowment investment product designed to repay the mortgage at the end of the term.

Equity Release scheme

A way older homeowners (typically 55%) can free up some of the value of their homes in exchange for a cash lump sum or income.

Estate agent

A person whose business is the sale or lease of buildings or land on behalf of others. Currently unregulated.

F

Fee

The amount charged by a lender, broker or other middleman for arranging a mortgage or property purchase.

Financial Adviser

A person who helps individuals with their financial situation.

Financial Ombudsman Service (FOS)

This body provides consumers with an avenue for resolving disputes involving financial services firms. Set up by the Government, it gives independent advice on complaints in areas including banking, mortgages, pensions, insurance and investments. Consumers must try and resolve their dispute with the relevant organisation before referring to the FOS for advice, however. Decisions made by FOS regarding disputes are not legally binding unless agreed by both parties.

Website: www.financial-ombudsman.org.uk

Financial Services Authority (FSA).

This independent, non-governmental organisation regulates the UK's financial services industry, including mortgage lenders and brokers. Any organisation regulated by the FSA is legally bound to adhere to its rules. The FSA can conduct investigations and has powers to enforce rules upon the organisations it regulates and punish those that fail to adhere. The three main aims of the FSA are to promote efficient, orderly and fair markets, help retail consumers achieve a fair deal and improve business capability and effectiveness. The FSA also has a website for consumers offering information and advice, as well as a number of tools to help with financial decision making.

Website: <http://www.moneyadeclear.fsa.gov.uk/>

Financial Services Compensation Scheme (FSCS)

This is the fund of last resort for customers of authorised financial services companies. The FSCS can pay if a firm is unable to pay the compensation for claims made against it.

It is a free, independent service, set up under the Financial Services and Markets Act 2000. It protects deposits, insurance policies, investments, insurance broking (for business on or after 14 January 2005) and mortgage advice and arranging (for business on or after 31 October 2004). The FSCS is funded by levies on authorised firms.

Website: www.fscs.org.uk

First Charge

A legal charge used to secure the main mortgage. A lender with a first legal charge over a property has a first call on any funds available from the sale of the property. See also: second charge.

First Time Buyer

A person that is purchasing a property for the first time. Some lenders offer preferential lending terms to first time buyers. A borrower who has owned a property before but has sold this prior to buying again may be offered first time buyer terms by some lenders but this is dependent on the lender.

Fixed Rate Mortgages

A loan where the initial payments, for a certain period of time, are based on a specific interest rate. The rate payable will not change during that period regardless of changes in the lender's standard variable rate.

Fixed-rate mortgages are very popular in the UK. As the name suggests, they allow you to fix the rate of interest you will pay on your mortgage for an agreed period. Most UK mortgage lenders offer a range of fixed-rate mortgages. The most popular are two-year, three-year and five-year deals, but it is possible to get a fixed-rate mortgage for anything from six months to 25 years.

As a rule, the longer you fix your rate for, the higher the interest rate you can expect to pay. However, as this market is so competitive, two-, three- and five-year deals are sometimes available at very similar interest rates.

Fixtures and Fittings

There may be bites in the house that you want included in the sale like carpets door handles light fittings etc.

Flat Over Shop

Residential habitation situated above retail premises. Some lenders will not lend on this type of security because it is seen as having limited appeal to prospective purchasers and therefore have a lower value compared to an otherwise similar property. Any property that is located above commercial property usually takes longer to sell than properties which do not have any commercial element. A flat above a take-away restaurant is more difficult to arrange a loan on than a flat above a book shop.

Flexible Mortgages

Flexible mortgages are offered by some lenders and allow you to make overpayments in order to repay the mortgage early or save for a special event.

A truly flexible mortgage allows you to do the following:

- Overpay
- Underpay
- Take payment holidays
- Borrow back overpayments
- Not apply any Early Repayment Charges
- Calculate your Interest daily

Flexi

An abbreviation for flexible. See flexible mortgages.

Forbearance

An action a lender may take to delay foreclosure or legal issues with a delinquent borrower.

Foreclosure

The legal process when a borrower defaults on a loan.

Foreign Currency Mortgage

It is now possible to get a mortgage for your property in the UK in a mortgage denominated in a foreign currency. It sometimes gives you the opportunity to borrow

money at a lower rate of interest than is possible in the UK.

Forfeiture

When a delinquent borrower surrenders their property rights.

Freehold

Land or property which is owned outright, as opposed to leasehold where the owner has the right to occupy the land or property for a given period of years only.

Full Status

A loan where complete checks are made on the borrower's credit history and income.

Full Structural Survey

It is essential to have this comprehensive survey carried out if you are thinking of buying an older property, as it will tell you if there is any problem or faults.

G

Gazumping

Where the seller accepts a higher bid after accepting your offer.

Gross Income

Total income after tax.

Ground Rent

When you are a leaseholder you will probably have to pay ground rent to the person that owns the land your property stands on.

Guaranteed Earned Income

Is income that you receive along with your basic salary that is not part of your normal basic pay under the terms and conditions of your employment but which you are guaranteed to receive.

Guarantor

A Guarantor is a person who agrees to guarantee that a loan will be paid. The guarantor is therefore fully liable for the repayment of the borrowed amount should the borrower default.

Guarantor Mortgages

In 2008 most of the lenders offering 100% or 100%-plus mortgages pulled their products from the market. As a result, the only 100% mortgage deals currently left are guarantor mortgages.

With a guarantor mortgage, either a parent or a relative agrees to guarantee your mortgage in the event that you fail to make the mortgage repayments. Having a guarantor may also enable you to borrow more money than your income would usually allow, because your guarantor's income (less any other financial commitments) is taken into account.

H

Higher Lending Charge (HLC)

An insurance premium which insures the lender against any loss of money, e.g. If you default on your loan or get repossessed. This usually applies only if you borrow more than 75% of the price asked for the property you are buying. Even though you have to pay for the insurance premium, it does not mean that you are covered by the insurance, the lender is.

A Higher Lending Charge is imposed by some lenders on those who wish to borrow more than 75 per cent of the property value. Most of these lenders only apply it to a mortgage with a loan-to-value (LTV - the percentage of the property price you wish to borrow) of 91 per cent or more, so if you have a 10 per cent deposit, you should evade this charge.

The size of the HLC depends on the size of the loan. For example, if you have a five per cent deposit, the typical higher lending charge on 100,000 GBP mortgage is around 1,500 GBP, but on a 200,000 GBP mortgage it would be around 3,000 GBP.

High Street Lenders

Mortgage providers based on the high street. These are mainly banks and building societies.

Holiday Home

A private residential property that will not be your main address or place of residence.

Home Equity Loan

A method releasing capital from people's homes. See Equity Release

Home Improvements

Work carried out to improve your home.

Home Information Packs (HIP's)

Introduced by the Labour Government on 14 December 2007, they were abolished by the new Coalition Government on 21st May 2010.

Homebuyer's Report

The homebuyer's report is a less stringent report than a full structural survey.

Homebuyer's Valuation Fee

This is the fee paid for a simple survey of the property you are thinking of buying.

House Auction

The process whereby something is bought at a price that arises from a process of bidding. If you bid for and win a home at an auction you will be legally bound to buy the house.

House or Flat Buyer's Report

A more thorough survey than the simple valuation carried out on the property by the lender. If your lender does not offer this as an alternative to the basic valuation, you can negotiate with the surveyor carrying out the valuation for the fuller inspection

and this may cost you less than a separate inspection.

Household Insurance

Insurance cover for your home. The two main types are building and contents insurance.

Housing Association

A body of trustees or company that is established for the purposes of providing, building, improving or managing, or facilitating, or encouraging the construction or improvement of, housing accommodation. It does not trade for profit. Anyone wanting help with housing puts his or her name down on the housing association list which acts in the same manner as council house lists.

I

IFA

Independent financial advisor is an advisor who has no affiliation with other financial companies.

Illustration

An illustration gives you an example of the monthly cost of a mortgage and other expenses associated with the loan such as set-up costs.

Impaired Credit

If you have an impaired credit record you will usually need a sub-prime mortgage charged at a higher interest rate than standard.

Income Protection

(Also known as Permanent Health Insurance (PHI))

Income protection provides protection if you are unable to make payments on an outstanding agreement. Is a way of motivating the people to take out a loan with the lender by offering deals.

You can protect against losing your income through disability, no matter how it is caused, with Income Protection Insurance (sometimes also referred to as Permanent Health Insurance).

Permanent Health Insurance (PHI) should not be confused with Private Medical Insurance (PMI).

Individual Saving Accounts (ISA)

A tax-efficient plan launched in April 1999. Permits investment in stocks and shares, cash deposits and insurance.

Individual Voluntary Arrangement (IVA)

IVAs were introduced under the insolvency act 1986 with the intention of allowing an individual to avoid bankruptcy and make maximum possible restitution to creditors. An IVA is seen as preferable to bankruptcy as the debtor can retain his tools of trade and, in the case of a professional person, continue to practice, or hold company directorships.

Do not confuse with the letters IVA being the initials for VAT in some European countries.

Inflation

Increase in earnings or prices, which change in accordance with price inflation, and the national average earnings.

Inheritance Tax

Tax payable on your estate when you die, charged at 40% on anything over 285,000 GBP (2006-2007 tax year).

Insurance Penalties

Mortgage lenders require you to take out buildings insurance so that, if your property burns down or is destroyed, their asset is protected. In the past, you were free to take out this insurance with any provider. Nowadays, some lenders want to sell you their own insurance and will penalise you with a 25 GBP fee if you decide to go elsewhere.

Interest Only Mortgages

Before you go looking for a mortgage or remortgage deal, you need to decide how you are going to pay off your mortgage. Should you go for the safe repayment-type model, or opt for an interest-only method of repayment?

With an interest-only mortgage, the payment you make to the mortgage lender each month comprises just the interest you owe them for that month. So you are not paying off any of the capital you owe.

When you take out an interest-only mortgage, you are supposed to also make a monthly payment into an Individual Savings Account, endowment or other investment. The hope is that the investment will then generate sufficient returns to pay off the capital sum you still owe at the end of the mortgage term.

However, there is no guarantee of this, so any interest-only mortgage carries an element of risk.

In recent years, increasing numbers of first-time buyers have taken out interest-only mortgages, and have just paid the interest, not paying any money into an investment. With high house prices, this is the only way some people have managed to afford to buy property. When taking out an interest-only mortgage and just paying the interest, they are relying on their property going up in value, being able to sell it a few years down the line for a profit, and then buying a property with a repayment mortgage.

Interest Rate

Also known as the rate of interest, mortgage rate or product rate

The rate of interest on your mortgage denotes the amount you are paying the lender to borrow funds. The rate is expressed as a percentage and calculated by the lender to ensure it receives the original loan amount back by the end of the term (or before if you repay early), plus a profit.

Intermediary

Broker or person who attempts to sort and arrange financial packages for you.

Intermediary Mortgage Lenders Association (IMLA)

This organisation represents mortgage lenders who channel their business through mortgage intermediaries, or brokers. Its membership includes banks, building societies and subsidiaries of overseas banks. IMLA is involved in a range of activities, including communicating its members' views to the Council of Mortgage Lenders and supporting new product development.

Website: www.imla.org.uk

Introducer

Person who introduces a loan to a lender.

IPT

Insurance premium tax.

J

Joint Application

A mortgage application that involves more than one person as the borrower.

Joint Liability

Two people who are responsible for a loan or debt.

K

Key workers

Individuals employed within the public sector who deliver an essential public service in areas such as health, education and community safety are classed as Key Workers by the Government. Depending on the area in question, specific examples can include:

NHS staff (except doctors and dentists), teachers, police, community support officers, fire-fighters, prison officers, probation service staff, social workers, psychologists, therapists employed by local authorities or the NHS, Ministry of Defence staff (some, not all), Lawyers/solicitors (not all lenders will consider barristers), Pharmacists, Accountants, Optometrists.

As is the case with graduate mortgages, professional mortgages are unlikely to be offering LTVs in excess of 90% in the current climate. Generally speaking, professional mortgages can offer better rates than those offered on graduate mortgages, as borrowers in the eligible professions tend to have high future earning potential.

L

Land Registry

A record of property, ownership and the mortgage is registered in a central register at HM land registry.

Land Registry Fees

A fee payable to the land registry to change an entry in their records following a transaction involving registered land. This can be following a change of ownership or just a change of mortgage.

Landlord's Reference

This is a reference from the previous landlord regarding the general conduct of the tenant and whether rent has been paid promptly.

Late Charge

A fee the lender imposes for receiving payments late.

Late Payment

A payment a lender receives after the due date has passed.

Leasehold

The land on which the property is built is not owned directly by the property purchaser and is held under a lease for a fixed period.

Legal Charge

The means by which lenders enforce their rights to a property, and is recorded at the land registry. There are various different types of legal charge and the type used will vary from lender to lender. A primary mortgage will normally be secured by a first charge.

Legal Mortgage Fee

The fee charged by the solicitors acting for the lender in creating their legal charge over the property.

Lender

An organisation which offers mortgage products.

Lender's Arrangement Fee

Fee for arranging a loan passed on by the buyer to the lender.

Lessee

Person to whom the lease is granted.

Lessor

An individual or company who grant a lease.

Liabilities

Debts and outgoing payments that you are legally responsible to pay.

Libor

London interbank offered rate is the rate at which banks notionally buy and sell money to each other. It varies from day to day and is closely linked to base rate.

Life Company

A life assurance company.

Life Insurance

A policy payable upon the death of the insured, usually referred to as assurance. When you take out a mortgage, it makes sense to take out life insurance that would pay off your home loan in the event of your death.

There are different types of life insurance:

Level term assurance, Decreasing term assurance, Convertible term assurance, Increasing term assurance

Lifetime Tracker Mortgages

This type of product follows the Bank of England Base Rate or the lender's Standard variable rate (SVR's), plus or minus a certain percentage. For example, if your two-year tracker has a rate of Base Rate (BBR) plus 0.5%, if the Base Rate is 1.5%, your product rate will be 2.0%.

However, if the Base Rate drops to 1.0%, your rate will also fall to 1.5%. If your mortgage tracks your lender's SVR it may not necessarily change in line with the Base Rate, however a Base Rate tracker is guaranteed to. It is also possible to get mortgages that track other rates, such as LIBOR (London Interbank Offered Rate; the rate at which banks lend to each other), but these products are nowhere near as common.

Two common tracker mortgages are Discount tracker mortgage and Lifetime tracker mortgage.

Loan

The amount to be borrowed.

Loan Application

Form you fill out to apply for a loan.

Loan Application Fee

Lenders fee for a loan application.

Loan Authority Search Fee

This is the fee payable for the local authority search.

Loan Consolidation

A large loan is taken to help pay for smaller loans held elsewhere.

Loan Illustration

Is the example of the monthly cost of a mortgage and other expenses associated with the loan such as set-up costs.

Loan To Value (LTV)

Is the ratio of the loan amount to the property valuation expressed as a percentage. So if a borrower is seeking a loan of £100,000 on a property worth £200,000 it has a 50% loan to value rate.

Local Authority Search

A search of local authority records to confirm the status of the property. Local authority searches should reveal any proposed changes in the area, the details of the planning permission for the subject property and whether any enforcement notices have been served by the local authority.

Loyalty Bonus

A concessionary bonus (usually by way of a temporary reduction in interest) payable for maintaining a satisfactory account with a lender for a period of years. Alternatively, loyalty bonuses may be offered to existing customers who return to the lender for a new mortgage. In which case the bonus may be dealt with by way of a reduction in the set-up costs of the new loan or a lump sum payable upon completion.

M

Monthly Repayment

This is the amount you pay our lender each month toward the cost of the credit they have given you.

Mortgage

The name given to credit used to buy property or loan secured by land.

Mortgage Brokers

The individual or company that specializes in arranging mortgages.

Mortgage Code

The regulations that mortgage provider have to stick to.

Mortgage Deed

Legal document establishing a loan on property.

Mortgage Indemnity Guarantee

See Higher Lending Charge.

Mortgage Term

Is the length of time before the mortgage loan must be repaid.

Mortgage Payment Protection Insurance (MPPI)

This is an insurance cover to protect your mortgage payments.

Mortgage payment protection insurance (MPPI) covers your mortgage payments in the event of your being unable to work due to an accident, sickness or unemployment, so it is also known as ASU.

MPPI covers a combination of insurances. You may simply want the unemployment cover for your mortgage if you already have accident and sickness insurance at work, for example.

N

National Association of Estate Agents (NAEA)

This is the UK's leading professional body for estate agents across the UK. It has a total of 10,000 members, who deal in all aspects of property both in the UK and abroad, including residential and commercial sales and letting, property management, business transfer, auctioneering and land.

Founded in 1962, the NAEA provides assistance, guidance and representation for its members. All agents have to formally qualify to become members of the NAEA and must comply with its code of conduct.

Website: www.naea.co.uk

National Landlords Association (NLA)

An independent national organisation for private residential landlords. It represents over 13,000 fee-paying members throughout the UK, from full-time landlords with large property portfolios to those who own single-bedroom flats. It helps landlords understand the legal and regulatory environment in which they manage their lettings and makes them aware of their statutory rights and responsibilities.

It also counts some of the largest buy-to-let lenders among its members and over 60 local authorities recognise the importance of membership.

Website: www.landlords.org.uk

Negative Equity

A situation that occurs when the amount loaned against a property is in excess of the market value of the property.

Net Profit

The income of a company or self employed business after making full allowance for the expenses of running the business. This should be the amount available to the owners of the business for their own benefit. It is the figure that can be used to calculate their ability to service a mortgage.

New Build

Refers to new properties developed on green field sites. Can refer to a single property or whole estates.

Non Status

A loan granted without making enquiries as to the borrower's income or credit history.

Notice of Default

A lender's initial contact when you have fallen behind on your credit repayments.

O

Offset Mortgages

An offset mortgage is the ultimate flexible mortgage. It takes a bit of understanding, but those borrowers who have converted to offset mortgages are big fans, as they can offer the most efficient and easy way of managing your money.

An offset mortgage pulls all of your finances into a single account. So it runs your current account, mortgage, savings and personal loan accounts together. On a daily basis, it adds up all of your assets and your savings, plus the money in your current account, and offsets them against your debts (mortgage and loans).

Say you have a mortgage of 100,000 GBP and savings of 10,000 GBP, and you typically have a balance of 1,500 GBP in your current account when you get paid.

Rather than paying, say, 6% interest on your mortgage, earning 3% on your savings and 0% on your current account, the offset calculates that you have debts of 88,500 GBP, and simply charges you interest on that.

Because rates for mortgages and loans are higher than savings and current account rates, it makes sense to NOT PAY the interest on the £11,500, rather than to earn the interest on it. And, because you are effectively regarded as having nothing in your savings account, you don't pay tax on it.

Offset mortgages keep your money in virtual 'pots', so you can still see how much you effectively have in your separate accounts, but it gets your money working as hard as possible for you.

Ombudsman for Estate Agents (OEA)

A scheme to provide independent and impartial mediation between members of the public who buy, sell or let property and the agents they deal with, in the event of a complaint from either side. The OEA can award compensation and the service is free to the public. Member agents must comply with a code of practice.

Website: www.oea.co.uk

Open Market Value

The value of a property on the basis of a willing buyer and willing seller in the open market allowing for a reasonable period for sale.

Outgoings

This includes existing liabilities and, or your debts, other than an existing mortgage such as hire purchase, personal loans, school fees etc.

Outstanding Balance

The amount that is outstanding on your credit.

Overpayments

Flexible mortgage allow you to pay more than the standard monthly repayment, in order to pay off your mortgage more quickly and potentially save a lot of time and money.

P

Payment Default

If you default on your credit repayments, the lender is entitled to repossess your house to recover the debt.

Payment Method

A means by which the mortgage capital is eventually repaid.

Payment Protection Insurance

See ASU accident, sickness and unemployment insurance. See also unemployment insurance.

Payment Schedule

A schedule of monthly payments under a loan.

Payment Shock

If you have taken out a mortgage on a low rate, the low rate ends and the payment jump up to the standard variable rate.

Pension Mortgage

The pension mortgage is an interest-only mortgage where the capital will be repaid from the tax free cash sum that can be received from the pension fund at maturity. This option is only suitable for those anticipating very large pensions.

Portable

Describes a mortgage that can be transferred from one property to another.

Previous Lender's Reference

A reference from a lender who has previously lent money to a prospective borrower regarding the conduct of the loan account.

Prime Rate

The best interest rate possible to the lender's most valuable customers.

Principal

The amount of credit still outstanding - the amount on which interest is calculated.

Product

A mortgage deal offered by a lender.

Product Fees

The same as arrangement, reservation and booking fees. A fee charged by a lender for setting up the loan. Normally payable upon completion but it may sometimes be added to the loan.

Purchase

The acquisition of a property.

Q R

Redemption

This is paying off the mortgage, either to move to another property or at the end of the mortgage term.

Redemption Charges

These are any charge levied by the lender when the mortgage loan is repaid before the end of the full term. Now known as Early Repayment Charges.

Refinancing

This is where borrowings are rearranging with a different lender, usually to receive more attractive terms or to raise fresh capital.

Remortgage

The arranging of a loan on a property in which the borrower already resides. Normally this involves redeeming an existing loan on the property.

When your mortgage deal comes to an end, you may want to shop around for a new product. This is known as a remortgage. Doing nothing and staying with your current lender after the end of the agreed term of your mortgage, say two or three years, will mean that you revert to the lenders Standard Variable Rate (SVR). If this rate is relatively attractive, you may not want to bother remortgaging. And if you have not built up much equity in your property, you may not be able to remortgage, as many lenders now insist on a minimum of 20%. But if you have a lot of equity in your property, you may well be able to remortgage onto a more attractive interest rate.

Remortgaging

Switching your mortgage and/or mortgage lender.

Repayment

This is payment made to cover interest or reduction in principal of a loan.

Repayment Mortgages

With a repayment-type mortgage, the monthly repayment you make to the lender each month consists of the interest you owe plus a little bit of the capital you owe. If you keep up all the repayments on your mortgage, you are guaranteed to have paid off the mortgage at the end of the term. Repayment-type mortgages are therefore the safest option, and are by far the most popular mortgage type in the UK.

Repayment Plan

If you fall behind on your payments a lender may try to renegotiate your repayment plan.

Reservation Fees

More or less the same as arrangement, booking and product fees. A fee charged by a

lender for setting up the loan. Normally payable upon completion but may sometimes be added to the loan.

The mortgage fees associated with taking out and paying off a mortgage have tripled in the last decade. Watch out for the hidden charges behind the cheap headline rates.

In the past, lenders would charge a fee to cover the costs they incurred administering the mortgage. But today, many lenders rely on fees to bring in extra revenue and so have increased the size of many of their fees.

Restructured Loan

When a lender offers renegotiated terms.

Right To Buy

This is an option for council tenants to purchase the property in which they live in. The property price is often at a discount, proportional to the length of occupancy.

Royal Institute Of Chartered Surveyors (RICS)

The professional body for surveyors which sets a code of practice for its members. Website: <http://www.rics.org/>

S

Search Fee

Before you buy your property you have to check with your local authority that there are no plans that will affect the value of your property.

Second Charge

A second charge is a legal charge that ranks behind a first charge, possibly to secure a second mortgage, or a guarantee given to secure other borrowings.

Second Home

An alternative to your main residence which is subject to capital gains tax! See also: holiday home.

Second Mortgage

A second mortgage is a further loan on a property which ranks after the first charge mortgage.

Secured Loan

A secured loan one that is secured using your property.

Self Build

A property, the construction of which is controlled by the borrower; not a finished unit. Loans on self build properties will normally be advanced in stage payments and are subject to strict limits on loan to value. A qualified architect will need to be involved.

Self Certification

A mortgage loan where the borrower makes a statement of his or her income and the lender makes fewer checks than normal on the accuracy of this statement.

Self Employed

An individual working on own account. For mortgage purposes this will include partners in unlimited liability businesses and professional practices.

Semi Commercial

A property that has at least part commercial use. A semi-commercial mortgage is a loan on security that is not entirely used for residential purposes, e.g. a shop.

Shared Ownership

A method of property purchase in partnership with a housing association. The borrower purchases part of the property and rents the remainder from the housing association. Also known as co-ownership, this arrangement is designed for people who could not otherwise become homeowners. Under most arrangements, the minimum purchase amount is 25% of the property value with the remainder available to be purchased in blocks of 25%.

Simple Valuation

This just tells you the value of the property; it does not tell you if it is structurally sound.

Sitting Tenant

A person having a legal right of occupation, even if the property changes ownership, and who is able to apply to the local authority to set a fair rent. Properties with sitting tenants are generally worth at least 30% - 40% less than their open market value with vacant possession.

Sole Occupancy

A property that is occupied by the borrower and his or her immediate family only. No paying tenants are in residence.

Special Conditions

Specific terms, usually outlined on the mortgage offer document, which apply to a particular loan offer.

Stamp Duty

A tax payable on property purchase, charged at 1% on properties costing 125,000 GBP to 250,000 GBP; 3% on properties from 250,000 GBP to 500,000 GBP, and 4% on properties over 500,000 GBP. Different rates apply for first time buyers and buying property in a designated disadvantaged area. Correct for tax year 2010/11.

To check the rates. Website: www.hmrc.gov.uk/sdlr/rates-thresholds.htm

Standard Variable Rate Mortgages (SVR's)

After the discounted period, unless you switch onto another deal, your rate will revert to your lender's SVR. In the past, borrowers were generally advised not to

hang around on their lender's full SVR for too long, as it used normally to be a couple of percentage points higher than the more competitive initial deal rates available and, as a result, made the repayments a lot more expensive. However, in the current market, unless you have a 40% deposit or 40% equity in your property, the most competitive mortgage rates are unlikely to be available to you. Anyone with less than 40% might be best simply sitting on the lender's SVR, given that they are relatively low.

A mortgage lender can increase or decrease its SVR whenever it wants, so during the discounted period of a mortgage your payments are still liable to fluctuate. You should also bear in mind that if there is a cut in the Base Rate, some lenders may pass them onto the SVR, but it is by no means guaranteed.

So, while your payments may rise in line with the Base Rate, discount mortgages offer borrowers the possibility of benefiting from falling interest rates while also offering the certainty of a cheaper rate than your lender's SVR, for a set period of time.

Stepped discount mortgage

This type of product works in a similar way to a discount mortgage (see above), except the percentage discount changes at several points during the deal period. For example, you could have a two-year mortgage product that carries a discount of 2% off the lenders' SVR in the first and 1% in the second year, before reverting to the lenders' SVR at the end of the deal period.

Structural Survey

The most comprehensive form of inspection that can be undertaken by a chartered surveyor. In the case of properties with movement, lenders may require a structural engineer's report. This is a different type of survey carried out by a chartered building engineer and should not be confused with a structural survey.

Survey

An inspection carried out for the benefit of the mortgage lender to make sure that the property forms a good security for a loan. This inspection and should not be relied upon on when deciding whether to purchase a property or not. Purchasers should be advised to obtain either a house or flat buyer's report or a full structural survey before proceeding with a purchase.

T

Term

The mortgage term is the length of time before the mortgage loan must be repaid.

Term Assurance

This is the simplest form of life assurance. The insured person is covered against death within a fixed period depending up on the payment of the premiums. If an insured person dies within the policy term the sum assured is paid out. If the insured person survives the term the premium has been spent and the insurance ends with nothing being paid to the policyholders.

Terminal Bonus

This bonus is paid at the end of an endowment mortgage and will depend on the performance of the investment fund you are using to repay your mortgage.

Tied Agents

Most advisers and agents have access to mortgages that you would not normally find on the high street. They may be part of a particular financial organisation or estate agent. Therefore they are not fully independent.

Top Up Loan

A form of second mortgage, used to provide an overall loan in excess of the loan to value ratio allowed by the primary lender. Top up loans will invariably be charged at a higher rate than the first mortgage.

Tracker Mortgages

A tracker mortgage is similar to a discount, but arguably more transparent. With a discount, a mortgage lender offers you a set percentage off their own Standard Variable Rate (SVR's). While a tracker mortgage follows the Bank Rate set by the Bank of England charged at a defined margin.

This type of product follows the Bank of England Base Rate or the lender's Standard variable rate (SVR's), plus or minus a certain percentage. For example, if your two-year tracker has a rate of Base Rate (BBR) plus 0.5%, if the Base Rate is 1.5%, your product rate will be 2.0%.

However, if the Base Rate drops to 1.0%, your rate will also fall to 1.5%. If your mortgage tracks your lender's SVR it may not necessarily change in line with the Base Rate, however a Base Rate tracker is guaranteed to. It is also possible to get mortgages that track other rates, such as LIBOR (London Interbank Offered Rate; the rate at which banks lend to each other), but these products are nowhere near as common.

Tracking

A process of following the progress of a loan application. This information should be fed back from the lender or packager to the introducer.

U

V

Valuation

When basic survey carried out by a surveyor to establish the value of your property.

Valuation Fees

A fee paid by the borrower for the lender's inspection of the property. This is normally paid on application.

The lender needs to assess that your property is worth at least the money it is lending you. So, it pays a surveyor to conduct a valuation, and covers its costs by charging you a fee. The size of the fee will depend on the price of the property, but

even on the same property, there will be differences between the amount lenders charge.

Variable Rate Mortgages

With a variable rate mortgage, the interest rate you pay can vary, moving up and down over time.

Every mortgage lender has a standard variable rate (SVR) that is loosely based on the Bank Rate; the benchmark interest rate set by the Bank of England.

Each lender sets its own SVR, usually 1% to 2% above the Bank Rate. So where the Bank Rate is 1.0%, a lender's standard variable rate may be 3.5%, 4.5% - or higher in some cases.

W
X
Y
Z

Disclaimer

This guide is for information only and should not be relied upon as definitive. Details have been obtained from various sources and although we have done everything possible to ensure that it is correct, we cannot accept responsibility for it or guarantee its accuracy. This is because processes laws and financial products change frequently, and may vary dependant upon personal circumstances. You are welcome to use the information provided, but should always obtain confirmation of specific details and get independent specialist and legal advice.

This is just one of a series of Free Reports. To see what reports are available go to <http://www.ronanpropertyservices.com/Free%20Reports.htm>

Your home is your most valuable asset. Sell it as an asset, before it slowly becomes a liability. We can help you to get on with your life. Apply today to while this is fresh in your mind!

Yorkshire www.yorkshirepropertybuyers.org.uk

London www.londonpropertybuyers.org.uk

North East www.northeastpropertybuyers.org.uk

North West www.northwestpropertybuyers.org.uk

For the rest of the UK www.speedypropertybuyers.co.uk

If you have property in Europe www.speedypropertybuyers.eu

DATA PROTECTION ACT 1998

Please note that we take the issue of privacy very seriously. Any information that you supply will be used in accordance with the Data Protection Act 1998 (UK) and any other applicable UK or EU legislation. The data you supply is confidential and will only be used within the businesses of Ronan Property Services to match your requirements for a property with an investor who has a property available or to introduce property related services to you that could be of use or save you money in the future. Your personal address and contact details will not be sold to any other organisation and only be revealed to the investor when you have expressed an interest in becoming a tenant/buyer for a particular property. Your data will be kept secure and will not be used for any other purpose or disclosed to third parties without your permission.

Updated 16/06/2010

Copyright © 2010 Ronan Property Services

You may copy this document and pass it or email it to interested friends who may be in a similar situation. The only restriction is that you cannot modify this document in any way shape or form or use it on any website without written permission from Ronan Property Services