theartof mortgages

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TuckerGardner
financial

introduction

TuckerGardner Financial Limited is the union of TuckerGardner Residential Limited with a team of established financial service professionals. The reputation of our core business has been built upon providing the highest levels of service and attention to detail; an ethos which will be shared by TuckerGardner Financial. By applying traditional values of reliability and integrity our aim is to bring sustained growth through personal recommendation.

The key to the above is in the calibre of the individuals who represent us, aligned with true independence so that we can explore the whole market, unrestricted, for the best possible mortgage and insurance deals for our clients. It is a full advisory and personal service tailored to each client and, what is more, there is usually no fee to you.*

So whether you are a first-time buyer, a buy-to-let investor or simply looking for a re-mortgage or additional insurance protection please rest assured that we are best placed to help.

our services

At any one time there may be thousands of different mortgage options open to you, only some of which will meet your needs. Add to this the huge number of insurance products available and the choice can be bewildering. To this end we have invested heavily in advanced computer software and systems to enable us to research, compare and advise on the products most suitable to you.

Establishing the correct product is only the start of the process. Our advisor will then be responsible, with the assistance of a dedicated administration unit, for overseeing the process of actually completing the mortgage, ensuring that all parties (lawyers, lenders, yourself, etc) have all the correct documentation at the right time. This is an essential part of the service as experience tells us that communication breakdowns lead to unnecessary delays and complications.

The whole process is highly personalised and independent to a degree that you will struggle to find on the High Street.

Your property may be repossessed if you do not keep up repayments on your mortgage.

* For mortgage advice you can choose how we are paid: pay a fee, usually 1% of the loan amount, or we can accept commission from the lender.

the importance of independence...

'Independent Mortgage Advice' is a term that we feel is grossly overused. To give you an idea, a Mortgage Broker is able to advertise independent status when they are only offering mortgages from a panel of as few as eight lenders and they may be tied to just one company for the provision of insurance products!

We are proud to offer our clients truly independent advice on mortgage and most insurance products, which means that we are well-placed to source and offer you the best deals available that meet your needs.

six step mortgage process

1. **the preliminary meeting**
2. **application**
3. **case tracking**
4. **mortgage offer**
5. **exchange of contracts/completion**
6. **review service**

1. the preliminary meeting

The purpose of the initial consultation is to establish your individual circumstances and financial needs in order that we may guide and prepare you for the process that lies ahead. If required, a mortgage can be agreed in principle at this stage to give you added peace of mind and confidence in pursuing your purchase.

2. application

Once you have had an offer accepted on a property and we have completed the initial fact finding in stage one we will assist you through the application process. The volume of paperwork can be quite daunting but our role is to make it as simple as possible whilst, of course, advising you of the relevance and importance of each document. Once the application is complete we will then submit it to the lender on your behalf.

3. case tracking

Once the application has been received by the designated lender our specialist administration unit will then work on your behalf to satisfy the lender's requirements. You will receive regular updates and can choose whether to opt to receive them by phone, email or even text message.

4. mortgage offer

At this point a mortgage offer is produced and sent to your lawyer. This is an important milestone as it confirms that the mortgage has been approved and that the money is in place ready to exchange contracts.

5. exchange of contracts/completion

Working closely with your lawyer we will make sure that the mortgage money is in place ready to be drawn upon so that contracts can be exchanged. We will also ensure that any insurance products that have been applied for are also put on risk so that you are covered. Upon exchange a completion date will be agreed between all parties and at this stage we will ensure that the mortgage money is drawn down into your lawyer's account. The property is now yours.

6. review service

The mortgage market is fast moving and regular review is essential to ensure that you retain the best deal. Typically at the end of a special rate period your mortgage will revert to the current variable rate, which may result in substantially higher monthly repayments than may be available via a simple re-mortgage. To this end as part of an automated review service TuckerGardner Financial will contact you just prior to the expiration of your special rate period to make you aware of what options are available. Again, this is a free service with no fee to you.

mortgages revealed...

The explanations below are intended to give you an insight into some of the more common terms associated with the mortgage process.

types of mortgage

- **repayment mortgage**
  The most common type of mortgage is the repayment mortgage. Offering the greatest simplicity your monthly repayments cover both the capital and interest on the loan, so that at the end of the agreed term providing you maintain payments you will have nothing more to pay.

  No other investments are required, but it is prudent for you to consider taking out some form of insurance cover in case anything untoward happens before the mortgage is repaid.

- **interest-only mortgage**
  Your monthly repayments cover the interest – not the capital – of your home loan. The intention is that at the expiration of the agreed term the full amount is repaid by putting additional funds into long-term investments. Many of these currently come with tax advantages which we would be pleased to discuss with you.

  Unlike a repayment mortgage the amount of debt does not reduce over time and there is no guarantee that your chosen investment will cover the full amount of the loan at the end of the term.

types of interest rate

- **variable rate mortgage**
  The chosen lender will set the interest rate according to their Standard Variable Rate (SVR), which will typically be upwards of 0.5% above the base rate set by the Bank of England.

  There are usually no early repayment charges on variable rate loans and, as such, they are worth considering if you intend to pay off your mortgage early. However, budgeting for the future is difficult as you will immediately incur higher monthly repayments should interest rates rise. Conversely, of course, you also save money if they go down.

- **discount rate mortgage**
  With this type of mortgage the lender will offer a set discount (expressed as a percentage) off their Standard Variable Rate for an agreed period. This is a good option for reducing the cost of the mortgage in the early years and to this end they can be especially attractive to first time buyers. However, it must be noted that repayments would still increase in line with any rate changes and that there are usually financial penalties if the mortgage is redeemed early.

- **tracker mortgage**
  A tracker mortgage ‘tracks’ an independently set interest rate, such as the Bank of England Base Rate. The benefit of a tracker mortgage is that you are guaranteed that any falls in interest rates will be immediately passed on to you and they therefore tend to suit an optimistic market. In a climate of interest rate rises the added cost is also immediately incurred.

- **fixed rate mortgage**
  Your monthly repayments are ‘frozen’ at a set level for an agreed period at the start of the mortgage irrespective of any interest rate increases or decreases. To this end they afford absolute peace of mind when budgeting the initial cost of the mortgage. Upon the expiry of the fixed rate term repayments revert to the lender’s Standard Variable Rate. There are usually financial penalties for early repayment of the mortgage if it is within the fixed term.

- **flexible mortgage**
  As the name suggests a flexible mortgage allows you to overpay or underpay your mortgage on a monthly basis or even to offset your savings against the loan, thereby reducing the interest paid.

- **capped rate mortgage**
  Although with a capped rate mortgage monthly repayments may fluctuate they will not exceed an agreed interest rate limit. Once this limit has been reached your repayments will remain static irrespective of future base rate rises. If interest rates fall then so will your repayments.

  A variation to this type of mortgage is to include a 'collar' which is an agreed rate below which your mortgage interest rate cannot fall. It is a device for securing a lower capped rate as it lessens the risk to the lender.

types of life insurance

You may need insurance as part of your mortgage and we can arrange whatever you may need in the way of life, critical illness or income protection cover.

- **level term life insurance**
  Level term insurance is a life insurance contract that pays out a set sum if you die within the term of the policy. Level term contracts are usually used to cover fixed repayment values such as an interest only mortgage where the amount that you owe remains the same until the end of the mortgage. When a term insurance policy expires it has no value so if you do not die within the term you get no money back.

- **mortgage decreasing life insurance**
  This kind of insurance is typically used to cover a repayment mortgage where the amount that you owe reduces as you make your repayments. The premiums will not change during the lifetime of the policy but the amount that will be paid if you die will reduce from the full amount that you specify at the start to zero at the end of the term. When a mortgage decreasing life insurance policy expires it has no value.

- **critical illness cover**
  Critical Illness cover is insurance that pays out if you are diagnosed with an illness specified within the policy. It is designed to help you adapt if your life is changed by an illness. The illnesses covered by each policy vary so it is important to read the full details of the plan that you are considering. As with life cover you have the option of taking out level term or mortgage decreasing critical illness cover.

- **income protection insurance**
  There are two forms of income protection, namely accident, sickness and unemployment (ASU) and income protection benefit (IPB). The main difference between the two is that ASU is designed to cover payments for a mortgage and a nominal amount for ancillary bills, whereas IPB is designed to replace income if needed. The underwriting criteria for ASU is less stringent as the maximum benefit paid is twelve months as opposed to IPB which could pay out until retirement age.

  For accident, sickness and unemployment benefit we usually offer products from a selected panel of providers.

Many contracts can also be done on a joint life basis, say for you and your partner, with payment of the insured sum being made upon the death of either party.

For more information call us on 01223 229600 or visit our website www.tgmortgages.com

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Tucker Gardner Financial Limited is an appointed representative of Sesame Limited which is authorised and regulated by the Financial Services Authority.

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