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A GUIDE TO: FIRST-TIME BUYER MORTGAGES  
WHAT YOU NEED TO KNOW

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# A Guide To:

## First-Time Buyers What You Need To Know

Thinking Of Buying Your First Property? Good For You! It's Difficult, But It's Certainly Not Impossible – Especially If You've Been Saving Up For Some Time For That All-Important Deposit.

The good news is that if you haven't managed to put away that much money, then the government has introduced a raft of schemes specifically aimed at first time buyers which can help with that big deposit – and even reduce the overall cost of the property.

@HomeOwnersAll: "How much you can afford to borrow is usually calculated by taking three all important factors into account: salary, outgoings and credit history. Lenders typically will lend 4 to 4.5 times your salary depending on your outgoings and credit history...Other income such as pensions, investments or earnings that fall outside your main salary will also be considered."

### Government Schemes To Help Get You On The Ladder:

- Shared Ownership

The 'shared ownership' doesn't mean sharing ownership with another individual, but rather buying a share of the property outright, the rest you pay in rent. You can buy as little as 10% of the property's value or as much as 75%. The idea being that you 'staircase' (i.e. buy more of it as time goes on) until you own the property outright.



To qualify you and your partner's income (or however many of you are buying) must be less than £80,000.

- First Homes

A new scheme aimed at helping first time buyers and local key workers buy their own home, **First Homes** offers discounts of up to 30% on the market rate of a property. Discounts in certain regions can even be as much as 50%.



You have to put down a 5% deposit of the cost of the property (after the discount has been taken off). To be eligible you have to be earning less than £80,000 per year (£90,000 in London).

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- **Mortgage Guarantee Scheme**

You can look for a mortgage where the deposit is less than 10% of the property's value and under the scheme, only pay 5% of it upfront as a deposit. You then get a mortgage on the remaining 95%. The scheme closes in December this year.

- **Right To Buy**

Available only in England and Northern Ireland, this scheme allows you to buy a council or housing association home at a discount price, depending on how long you have been living there. You must have been a secure tenant for at least three years.

The initial discount is 35% for a house and 50% for a flat. But the longer you've been in the public sector property the higher the discount so after a decade it would be 40% discount for a house and 60% for a flat. You could end up with a discount of £82,800 (£110,500 in London).



## Other Costs to be aware of:

### Solicitors Fees

You can expect to pay anything from £850 to £1,500 plus VAT at 20% for your solicitor or conveyancer. This is for all the legal work involved in drawing up the lease, transferring fees etc.

At the same time, they will add another £300 for searches to determine whether there are any long-standing underground works, such as mining, or local plans etc which could affect your property and its value.

### Valuation/Surveyor Fees

Before you put a bid in for a property you will want to know if the building is structurally sound and the ground on which it is standing solid. You can find this out from a surveyor's report. These come in various packages, from a basic survey for around £200 to a **structural survey** costing more than £600.

### Moving Costs

You can hire a removal firm for anything from £300 to £600 – but you can also get a white van and do it yourself to save some cash. If you do opt for a removal firm then make sure they have insurance. That way you're covered if anything goes wrong and a major piece of furniture, such as your bed or a sofa gets damaged. Shop around too to get the best price; you're also more likely to get it cheaper if you move mid-week than at the weekend.

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## What Next?

Get an appointment with a PFG Mortgages Adviser Call 01603 750001

Buying your first home can be made so much easier by choosing the right mortgage broker from the start. Get in touch with one of the PFG team today so we can start you off in the right direction in terms of which scheme (if applicable) will benefit you most.

At PFG Mortgages we have a team of specialists in mortgages for First-time Buyers. We pride ourselves on our wealth of knowledge and experience, allowing us to find you the right scheme if available, we will then find you the best mortgage from across the whole market that fits with your situation.

We will then guide you for what we need from you to make sure your applications stand the best chance of being accepted. You can also speed up the process by having the following available upon request:

- Last 3 Months Bank Statements
- Last 3 Months Payslips
- Valid ID for all applicants
- Proof of deposits

Other things you can also do to help are; tidying up your credit score by closing down old credit cards, making sure you are on the electoral roll etc.

We recommend using the [Checkmyfile](#) link on our site for a 30 day free trial, which you can cancel online at anytime, otherwise it's then £14.99 a month.

[Check My File](#) is the UK's only Multi Agency Credit Report – see full credit report data from Experian, Equifax, TransUnion and Crediva all in one place.

Providing this report to your adviser will allow them to see if there are any areas that need to be addressed before we submit your application to the lender, making your mortgage application as smooth as possible

If you have any questions please don't hesitate to call us on **01603 750001** and speak to an adviser who will be able to answer your questions.

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

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