

MORTGAGE VIEWPOINT

Thanks for reading our newsletter. If you want to discuss any of the articles in more detail, please get in touch.

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Could extra money help you in retirement?

Why consider equity release?

Equity release allows you to unlock tax-free funds tied up in your main residence. Whether you prefer a one-off lump sum or instalments after an initial release, this option can provide the financial boost you need.

If you're over 50 and a homeowner there are many reasons why you might consider equity release:

- Pay off your existing mortgage and potentially other debts, freeing up monthly cash flow.
- · Supplement your income in retirement.
- Fund home improvements or a dream holiday.
- Support your children or grandchildren in getting on the property ladder.
- Another great benefit of equity release is that you get to remain in your own home. There will be no need to downsize or move.

Important considerations

A Lifetime Mortgage allows you to unlock tax-free cash from your home while retaining full ownership and the ability to stay as long as you wish. You can choose to make reduced or no monthly repayments, and with the No Negative Equity Guarantee, you will never owe more than your home is worth. However, as interest is charged on both the original loan and the interest that has been added, the amount you owe will increase over time, reducing the equity left in your home and the value of any inheritance, potentially to nothing.

It's essential to seek financial advice as a Lifetime Mortgage may affect your entitlement to means-tested benefits and is not suitable for everyone.

When arranging a Lifetime Mortgage, you may need to cover associated costs such as a property valuation, legal fees and advice, just as you do for a residential mortgage.

Although the decision is yours, discussing your plans with family and beneficiaries is encouraged, as a Lifetime Mortgage could impact potential inheritance. We recommend inviting them to any meetings with your Financial Adviser to ensure everyone is informed and involved in the decision-making process.

Navigating the variety of Lifetime Mortgages can be complex, which is why specialist, impartial advice is crucial if traditional mortgages don't meet your needs.

We're here to help

We're here to help you navigate the market based on your unique circumstances. If equity release isn't quite right for you, we'll be able to help you identify alternative solutions that might be better.

If you would like to find out more or are interested in receiving our 'Making More of Your Home' brochure, please contact me/us

If you would prefer to not be contacted about the products and services we offer, please let us know so we can update our records accordingly.



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

Don't fit the mortgage mould? We can help you

If you've ever felt like you don't quite fit the conventional mould when it comes to securing a mortgage, you're not alone. In fact, more and more people are in the same boat, challenging the standard lending rules.

If you're self-employed, had a credit blip or over 50 you may have encountered challenges when applying for a mortgage because traditional mortgages don't always cater to everyone's needs. Luckily, there are specialist mortgage products designed just for people like you and we can help.

Self-employed?

Do you feel like you have to jump through more hoops when applying for a mortgage just because you're self-employed?

We understand the complexities of self-employed finances and can help you find the right mortgage product tailored to your needs.

Whether you're a sole trader, in a partnership, a company director, or a contractor, we'll guide you through the process and help you gather the necessary documents to prove your income.

Dealing with a credit blip

Don't let past credit issues hold you back from getting a mortgage.

We have access to specialist lenders who work with people with varying credit histories. Whether you've had late payments, past debts, or no credit history at all, we'll help you explore your options and find a mortgage solution that works for you. We understand that life circumstances can impact credit, and we're here to help you.

Over 50 and need a mortgage?

Getting a mortgage in your 50s and beyond used to be a challenge, but things have changed!

With access to a wide range of mortgage products, including those with age-friendly terms, we'll guide you through the process and ensure you find a mortgage that fits your needs.

Whether you're looking to downsize, renovate your home, or explore new living arrangements, we'll help you find the right mortgage solution for this exciting chapter of your life.

How we can help you

We offer personalised guidance tailored to your unique circumstances and can help you if your financial situation, age, or employment status don't fit the traditional mortgage mould. Together, we can explore the options available to you.



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

A first time buyer's guide to mortgage rates

A glance at the news over the last 12 months or so would suggest that mortgage rates are a very hot topic indeed.

For the last 14 years, mortgage rates - the interest rate charged on the money borrowed to purchase a property - have tended to be low, because interest rates, in general, have remained low.

But Liz Truss's mini budget in September 2022 had a significant impact on mortgage rates; many mortgage products were withdrawn in the aftermath of the fiscal event, and interest rates rose very sharply which made monthly mortgage payments much more expensive for homeowners.

The good news is, according to a report from Moneyfacts Group, mortgage rates have come down since peaking in 2023. And while rates do not currently match the lows of the last 14 years, for first-time buyers, it is imperative that they seek the most affordable rate for their circumstances when purchasing a first home.

What are the different types of mortgage?

There are two main types of mortgage rate: fixed rate, where the interest stays the same for a set number of years, usually 2, 5, or 10 years, and variable rate, where the interest rate can change.

Fixed rate mortgages are the most popular option, with 74% of homeowner mortgages taken out on a fixed rate contract according to UK Finance, and 96% of new borrowers choosing this option since 2019.

One reason why they are popular is because it can be easier for borrowers to budget as the monthly payments stay the same until the fixed-term period ends. Also, they will not be affected by interest rate rises during the term of the mortgage. Equally, they also won't be affected if the interest rate falls. However, with stability around monthly payments, many are happy with this potential trade-off.

A variable rate means that the amount you pay each month can go up or down, usually in line with the Bank of England base rate of interest, which means monthly payments are much more unpredictable.

If we are in a period where we could see the base rate cut - or multiple rate cuts - some borrowers may opt for a variable rate mortgage to help reduce their total

mortgage payments. However, this comes with an element of risk as interest rates can always fluctuate in both directions.

You may also have heard of a standard variable rate. This is the interest rate a lender charges after the initial fixed rate ends. SVRs are usually higher than other mortgage products and can change at any time. As a result, many borrowers will look to remortgage or transfer to a new product with the same lender to capitalise on another fixed-rate period.

Seek advice to get the right deal

Not sure which option is right for you? We have access to a huge variety of deals available on the market and can help you select the right one to suit your individual circumstances. We will work with you to budget confidently and make sure you have enough money each month to be able to comfortably afford your mortgage payments - along with other living expenses.

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



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Shared ownership: your guide to homebuying on a budget

Let's explore shared ownership and see if it's right for you.

What is shared ownership?

Shared ownership is a scheme set up by the Government to make it easier for people to buy their home. Instead of purchasing a property upfront, you can buy a share of it and pay rent to a landlord on the rest.

In England, the initial share of a property you can purchase is typically between 25% and 75% of its value, although for some homes it can be as low as 10%. You only need to pay the deposit on (and have a mortgage for) the share of the property you're buying.

The share you don't own is owned by a landlord, usually a housing association. You'll need to pay them rent on the share of the property they own, as well as any service charges.

You can usually increase your share in the property at any time, buying more of it from the landlord in increments until you own all of it — this is called 'staircasing'. The greater your share of a property, the less

you'll have to pay in rent.

There are similar schemes available in Scotland, Wales and Northern Ireland, each with slightly different rules to the scheme in England:

- Shared ownership in Scotland: This scheme
 is aimed at first-time buyers and other priority
 groups. You can buy a 25-75% share of a property
 and pay an occupancy charge on the rest.
 See more on the Scottish Government website.
- Shared ownership in Wales: This scheme works similarly to those in England and Scotland, but your total income must be less than £60,000. See more on the Welsh Government website.
- Co-ownership in Northern Ireland: You can buy a 50-90% share of a property worth no more than £195,000 and pay rent on the rest. See more on the NI Government website.

Who is shared ownership for?

Shared ownership can be a great way for people who might not be able to afford to buy straight away to get on the property ladder. In England, you qualify for the scheme if your household income is £80,000 a year or less (£90,000 in London) and you can't afford to buy a home that meets your needs.

Other conditions usually apply too. For example, you may need to be a first-time buyer or be forming a new household (for example due to a relationship breakdown). You can check the full eligibility criteria on the **Government website**.

Advantages to shared ownership

Buying under shared ownership means the upfront costs are lower because you only need to cover the deposit (and get a mortgage for) a share of the property rather than the entire value. You may also find it easier to get a mortgage because you'll be borrowing a smaller sum from a lender.

The scheme allows you to buy your home gradually, making it easier for you to work towards home ownership if you're on a budget. You can usually buy shares of 10% or more at a time, purchasing over a period that works for you until you reach 100% ownership.

Shared ownership also typically offers more security than traditional renting. If you pay your rent and mortgage repayments on time, you can usually remain in your home for the entire length of the leasehold if you choose.

Things to watch out for

Shared ownership properties in England are always leasehold, meaning you own the property but not the land it's built on. You'll usually have to pay service charges on these properties, and you may need to extend a shorter lease to avoid problems in the future, which can be expensive.

The cost of staircasing can also be significant. You'll have to pay for the property to be valued every time you buy more shares, and the price of these shares will be affected by the housing market. If house prices in your area go up, you'll pay more.

Selling can also be complicated if you own less than 100% of your home. You must formally notify the landlord of your intention to sell, and they usually have the right to first refusal. This means they can try to sell their share in the property to another owner, which can take several weeks. If they can't sell their share, you may end up being responsible for selling it on the open market (and paying for any associated fees).

We can help you navigate shared ownership

We're here to help you understand shared ownership and determine if it's the right option for you. We can explain how it works, discuss your circumstances, break down the costs and explore alternative home ownership options to help you decide if shared ownership is right for you.

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

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Time for a Fresh Look at Your Finances – Where Should You Start?

Any time can be the right time to take stock of your finances. Whether you're setting new goals, preparing for a life change, or simply want to feel more in control, reviewing your financial position can help you move forward with confidence.

Maybe you're thinking about getting onto the property ladder, protecting your family's health and financial wellbeing, or thinking about plans for retirement, the right advice can help you on the path to identifying new opportunities and achieving your goals.

With so much to consider, good advice has arguably never been so important. So where should you start?



Where should you prioritise?

- Mortgages: Whether you're looking to buy or remortgage, a mortgage adviser has access to a wide variety of mortgage options as well as an extensive panel of lenders to identify the right product that suits your individual needs.
- **Protection:** With a mortgage often being our biggest financial commitment, the right protection is important should you become ill or unable to work, helping to safeguard yourself and your family.
- Retirement planning: Making those retirement dreams become a reality, ensuring you can maintain the lifestyle you desire after you finish work.
- Wealth management: Helping your money work for you through financial planning and a clear investment strategy.

- Tax planning, including inheritance tax: A
 financial planner can build a strategy to help minimise
 your tax liabilities efficiently and in a way that is fully
 above board.
- Estate planning including wills and Lasting Power of Attorney: Organising all your affairs and assets to make sure loved ones are supported and your wishes are carried out if you become incapacitated or you pass away.
- Private Medical Insurance (PMI)*: With continued pressure on our health service increasing the length of wait times, PMI helps you and your family access private healthcare quicker.
- Home Insurance and conveyancing: Home
 insurance is essential in safeguarding your home
 should the worst happen. Just as important are quality
 conveyancers who will manage the legal process of
 transferring ownership when you decide it's time to sell.

Finding a good recommendation

Whether some or all of the above are relevant to you right now, it can feel quite daunting to start the process of seeking advice. That is especially true if you're expecting to speak to eight different companies about each individual topic.

One of our greatest strengths, is we are part of The Openwork Partnership, which is one of the biggest financial advice groups in the country. This means that at whichever point you enter; whether it's discussing mortgages, protection, pensions or investments, your individual adviser is supported by thousands of others who will be able to help answer any other needs you may have.

Not only is it great to have a good recommendation, it also means you can access expert advice in every area and build a comprehensive plan that covers all aspects of your financial plan. Best of all, you have the peace of mind and convenience of dealing with one expert network.

Get in touch today

A holistic approach such as this ensures that all your bases are covered and helps minimise the risk of any potential gaps or missed opportunities.

So whether you have a priority or a clear goal in mind, advisers are able to work together and with the bigger picture in mind to help you identify every opportunity and make good progress towards your financial goals.

*Private Medical Insurance is available via a referral service to a specialist.

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

THE VALUE OF INVESTMENTS AND ANY INCOME FROM THEM CAN FALL AS WELL AS RISE AND YOU MAY NOT GET BACK THE ORIGINAL AMOUNT INVESTED.

WILL WRITING, LASTING POWER OF ATTORNEY AND CONVEYANCING ARE NOT REGULATED BY THE FINANCIAL CONDUCT AUTHORITY.

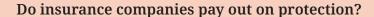
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Think insurance companies don't pay out? Think again!

Buying a home and taking on a mortgage is often the biggest financial commitment a person will make in their lives. With this in mind, protection polices offer great financial security, not just to protect you, but to protect your family, your income and even the loan itself should the worst happen.

However, a barrier stopping some from taking out financial protection is the view that insurance companies do not pay out or that they will find any excuse not to honour the claim. But is this actually true?

In reality, this is an unfortunate case of fake news and a worrying myth that is preventing some borrowers from having these important financial safeguards in place.



The latest annual figures from the Association of British Insurers (ABI), show the protection industry paid out 98.3% of new claims in 2023, totalling more than £7.3 billion. This is a 14% increase in the total value of claims paid compared to 2022.

Furthermore, individual policies such as life insurance, critical illness and income protection saw a 14% increase in the total value of claims.

How do different protection insurances compare?

- 90.5% of critical illness claims were paid, with the value of claims averaging at £68,354
- 96.7% of life insurance claims were paid, with an average claim value of £80,403
- 81.32% of income protection claims were paid, with an average claim value of £22,270pa

So, with insurance companies paying out more than £20 million per day in 2023, we can definitely say that the myth of insurers not paying out or honouring claims is fake news.

Why would an insurer not pay a claim?

Given the strength of the data, it is hard to know why such a misconception exists. This is especially true as the data from the ABI continues to trend upwards each year.

Of course, there are cases where an insurer is unable to pay out on a claim. As part of its research, the ABI revealed that the main reasons for not honouring a claim is policyholders not accurately disclosing their medical history or habits when they took out the policy, or the claims not meeting the policy definitions.



How can we overcome this? It's really important to be open and honest with your mortgage adviser when discussing financial protection. Whether it's answering lifestyle questions honestly or disclosing pre-existing conditions or health concerns, this allows your adviser to pair you with the right product and provider. It also means the provider can fairly assess your application on accurate information.

Is it too late?

If you have thought that the myth of insurers not paying out was true, the good news is that it is never too late to put some protection in place. A financial adviser is best placed to run through all the options available and provide choices that suit your individual needs and your budget.

Best of all, your adviser will review with you regularly to make sure those products are still suitable and continuing to meet your needs. This is particularly useful if your situation changes during the life of the policy – such as a new job, your family grows or your health changes. Plus, they can help you make the most of any inclusive services (such as counselling, remote GP services or physiotherapy sessions) or even help make a claim if needed.

While we all may expect to pay our mortgage every month, the truth is that life is unpredictable. Whether it's our health or something else, all could throw a spanner in the works and leave us in a difficult financial position. In those challenging moments, protection insurance can offer a solution and real peace of mind. If you're renting, buying or remortgaging it's never been so important to have that conversation and put that financial safety net in place for you and your family.

Talk to us to explore your protection options and we can tailor a plan that meets your specific needs and circumstances.

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Why mortgage rates don't always drop when the base rate does?

The Bank of England's Monetary Policy Committee (MPC) is the group responsible for setting the bank base rate (BBR). This interest rate influences the cost of borrowing for banks and the rates they offer on loans, mortgages and savings, all with the ultimate aim of helping to control inflation.

When the committee meets roughly every six weeks, all eyes are on its decision. Based on a large number of factors in the UK economy and also abroad, the MPC will decide whether to raise, hold or cut the base rate.

You may expect a cut to the base rate to mean an instant cut to mortgage rates - however, this isn't always the case. In reality, the base rate is just one component that influences the mortgage rates offered by a lender.

Swap rates

Another factor is something called swap rates – the rate lenders pay to access money to lend. Think of these like the stock exchange – they fluctuate all the time depending on economic conditions, global factors, market expectations and sentiment. If swap rates increase, then so does the cost for lenders to lend money.

When the economy is stable and inflation is on track, a decision to cut the base rate can cause swap rates to fall and almost instantly bring mortgage rates down. However, if swap rates become unsettled by economic events, future expectations for inflation or challenges abroad, a cut to the base rate may not be enough to calm swap rates, causing the cost for lenders to borrow money to increase.

We have seen this recently following the Chancellor's Budget. The big policy announcements made by the Chancellor, along with concerns in the Middle East and uncertainty around the implications of the US Presidential race, unsettled swap rates and caused them to rise. Even with the positive news from the MPC to cut the base rate, it wasn't enough to stop fixed rate mortgages increasing.

What about trackers or SVR?

It's important to note that this swap rates something that mainly impacts fixed rate mortgages. A cut to the base rate will be felt almost immediately by those who are on a tracker mortgage – a flexible rate that follows the bank base rate – or if you are on a lender's standard variable rate (SVR) – a changeable rate set by the lender typically after your fixed rate comes to an end.

This is only a minority of borrowers though, as according to UK Finance, 74% of homeowner mortgages are on a fixed rate contract, with 94% of new borrowers choosing this since 2019.



Supply and demand

Alongside swap rates, supply and demand is another factor that can cause mortgage rates not to drop if the base rate is cut. It may seem advantageous for one lender to offer a lower rate than their competition. However, if a rate is too competitive following a rise in swap rates, they may become overrun with new business enquiries and unable to cope with the demand.

In this instance, we may see some lenders decide to follow the herd and reprice their products, bringing them closer in line with their competition.

Separately, it is important to note that lenders have many internal factors that will decide whether they raise or reduce mortgage rates. This can include their own lending targets and future pipeline, competitor pricing and overall service levels, irrespective of swap rates or the bank base rate.

Get advice today

Understanding the factors that can contribute to mortgage pricing can be important in helping you make the right decision. While this can be confusing, with lots of factors contributing to the rates on offer, mortgage and protection advisers can offer plenty of knowledge, support and access to lots of lenders for those looking to navigate the market.

Whether you're looking to apply for a mortgage, you are soon due to remortgage or you are just looking for some advice, we can help you find the right solution.

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