

helping to find the right mortgage for you



An introduction to our mortgage advice service

Version 1

# Introducing our mortgage advice service

As the financial advisory arm of Ecclesiastical, we're part of a company that was started by churchmen in 1887 and today gives a significant proportion of its profits to charity. We've been helping people with their financial planning since 1919, and we can offer mortgage advice as well.



## **Helping to find you the right mortgage**

We offer a no-fee, whole of market mortgage advice service to help find you the most suitable, competitive mortgage deals available. Our wide access to lenders means we can compare a huge range of mainstream and specialist mortgages for you. We also offer rates that you won't find on the high street from some of the UK's top lenders.

Once we've helped you to find the right mortgage, we'll then guide you through the application process, keeping in regular contact with you and your lender ensuring it is as quick and easy as possible.

And if you need a solicitor to help manage the legal side of your property purchase, we can also refer you to a specialist conveyancing solicitor.

## **Why choose our mortgage advice service?**

### **Choice**

We have access to thousands of mortgage products available in the market.

### **Impartial**

Unlike many banks and building societies, we're not tied to any one mortgage company, so we can find the most suitable and competitive deal for you.

### **Expert advice**

We'll guide you through the complexities of mortgage products and take you through the entire process – from application to completion.

### **Responsible business practices**

As a company with a social conscience, you can be assured of quality advice and excellent service.

Plus, unlike many mortgage advisers, we don't charge our customers any fee for advice or for the time taken to arrange a mortgage for you. The only remuneration we receive is a procurement fee, paid directly to us by the mortgage lender. We only receive such a fee when you take out a mortgage product with us.

# Mortgages – at a glance

There are a wide variety of mortgage products on the market, as well as different 'rates' and payment options, to suit a broad range of personal circumstances. Here's a summary of the most common types of mortgage that you may encounter:

## **Standard variable rate (SVR)**

This refers to the lender's standard rate of interest, which, as it is usually linked to the Bank of England base rate, is variable. While you may not choose an SVR mortgage from the outset, in most instances you will automatically be switched to it when your initial offer rate expires.

## **Fixed rate**

Often competitive, the rate is set for a fixed period but at the end of that period, will revert to the lender's SVR – a rate that can be more expensive. The benefit of this type of mortgage is knowing your payments will not change in the fixed rate period.

## **Discounted rate**

If you need the potential to save money in the first few years of your mortgage, then a discounted rate is worth considering. This offers a reduction on the lender's SVR. If the SVR changes, so will the rate you pay. At the end of the discount period, your mortgage will revert back to the lender's SVR.

## **Tracker rate**

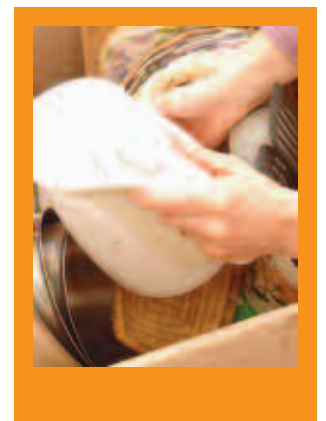
Tracker mortgage rates usually move in line with the Bank of England base rate. By doing this, you get the certainty of knowing the rate you pay will move automatically with base rate changes. When the base rate falls, your interest rate will reduce and vice versa.

## **Capped rate**

This means you get a variable mortgage rate, but the rate will not rise above a pre-set ceiling (the cap) over an agreed period. Knowing the maximum interest rate you will have to pay during this time can be very helpful to those that may need to keep a close eye on outgoings.

## **Flexible**

These allow you to overpay, underpay, take repayment holidays, skip repayments, and withdraw or deposit lump sums. Naturally, making regular overpayments are very useful for reducing your outstanding mortgage balance. Many standard mortgages also have some flexibility, so it's worth speaking to our mortgage advisers to find out what deals are available.



## **Top tips**

Here are a few pointers to help you choose the right mortgage deal.

- Firstly, use a budget planner to work out what you can afford – you can find one in the 'mortgage' page in the 'our products' section of our website
- Try to put down a large deposit. This will help to reduce your monthly repayments and can save you thousands in the long run

**Offset**

With an offset mortgage, your current account and savings account are linked to your mortgage. Every month your lender reduces the amount you owe by the amount in these accounts, after which it works out the interest due on the mortgage balance. The more you have saved, the less interest you will pay and vice versa.

**Current account mortgage**

Similar to an offset mortgage, here your current account is combined with your mortgage to create one account. Your lender will require a minimum level of savings to be held within the account each month. The more you have saved in the account, the less interest you will pay, which means you may be able to pay off the mortgage early.

**Cashback**

These tend to be SVR mortgages that pay out an upfront lump sum when the mortgage is taken out. Very useful for first-time buyers to help pay for home furnishings, etc., though you may find the interest rate offered is not the most competitive.

**Remortgage**

Remortgaging is simply repaying one mortgage by taking out another, secured on the same property. By doing so, you can take advantage of a more suitable product or better interest rate.

**Call our mortgage advisers on 0800 107 0190 to find out which type of mortgage is right for your needs.**

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

**FAQs****How much can I borrow?**

A mortgage lender will generally lend three to four times your gross annual salary, and if you're buying with a partner, they may lend up to three times your joint income. Exact details will depend on the individual lender.

**Will I need a deposit?**

Yes, the majority of lenders will require you to put down a deposit. Again, exact details will depend on the individual lender.

**What other costs are included?**

There can be many extra costs involved in buying a property, such as valuation and survey fees, solicitors' fees, home and contents insurance, and possibly stamp duty – depending on the value of the property. As every property purchase is different, do contact our mortgage advisers. We are here to run through all the potential costs you may face and help you to work out your budget.

- Don't take out the mortgage on offer unless you can afford to pay it
- Allow for at least a 5% increase in the interest rate to make sure you can still afford to pay your mortgage if rates rise
- Allow for additional fees and unexpected costs (see FAQs)
- Protect yourself against any changes to your circumstances that may affect your ability to pay your mortgage. Consider a savings plan, life assurance or protection cover
- Review your mortgage regularly with our mortgage advisers to make sure you've still got the best deal

# Refreshingly different

At Ecclesiastical, we go beyond simply providing mortgage advice. We offer a full range of financial services and advice to help customers take care of every area of their finances.

## **Protecting your mortgage payments**

Protecting yourself and your family against loss of earnings can be great value for money. What's more, you'll have peace of mind knowing that in the event of an accident, illness or death, your mortgage payments will be taken care of.

## **Financial advice**

Taking financial advice could be the most important thing you'll ever do for yourself and your family – making you money, saving you money or simply preparing you for whatever life has in store. Of course not everyone has time to organise their finances so our independent financial advisers do the hard work for you, giving you total peace of mind for the future.

We now have access to the full range of products and companies across the whole market to give you even more choice and flexibility. As always our dedicated independent financial advisers will work with you to understand your requirements and recommend the best solution for your specific needs.

## **Buildings and contents insurance**

Once you've got your home it's vital that you protect it – as well as your precious belongings – with insurance you can depend on if something happens. Our insurance can be tailored to your requirements so you're not paying for what you don't need, and you can even save money by taking out both our contents and buildings cover.

## **Wedding insurance**

When organising a wedding, insurance may not be the first thing you think about. But when the average wedding costs £20,000\* it's reassuring to know that if things don't go to plan your investment is protected.

Ecclesiastical were one of the first companies to specialise in wedding insurance and today we're one of the largest providers. Our cover features four levels to suit different needs, all of which is supported by a first class claims service.

\*Source: You and your wedding magazine research, June 2008

## **Let's talk**

We'd be delighted to discuss how we can help you with your mortgage, insurance or financial planning needs.

Please call us on: **0800 107 0190, 8am - 6pm Monday to Friday.**  
Or email us at: **[financial.services@ecclesiastical.com](mailto:financial.services@ecclesiastical.com)**

Independent financial advice  
Savings & Investments  
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For further information on any  
of our products, call us on

**0845 777 3322**

Monday to Friday 8am to 6pm. We may  
monitor or record calls to improve our service

You can email us at

**information@ecclesiastical.com**

Or visit us at

**www.ecclesiastical.com**

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Beaufort House, Brunswick Road,  
Gloucester GL1 1JZ

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