



SIMPLY MORTGAGE

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IS NOW THE RIGHT TIME TO REMORTGAGE?

Saving money isn't the only reason to consider remortgaging

HOW TO LOWER
MORTGAGE PAYMENTS
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EFFECTIVELY

A likely solution that could ease your financial burden

WHAT
POTENTIAL
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While these rate cuts are hopeful, their likelihood depends on various factors

IS NOW THE RIGHT TIME TO REMORTGAGE?

Saving money isn't the only reason to consider remortgaging

With UK mortgage rates stabilising and forecasts suggesting potential reductions, many homeowners will be re-evaluating their mortgage options. Could this be the moment to act and remortgage? For some, remortgaging could lead to substantial savings, potentially amounting to thousands of pounds annually.

If your current mortgage deal is set to expire within the next six months, now is the time to consider starting the remortgage process. Acting early means you could lock in a favourable rate now while maintaining the flexibility to pivot to a more competitive deal should mortgage rates improve further before you make your choice.

REVIEW YOUR OPTIONS IF YOU'RE ON AN SVR

The situation may feel more urgent for those currently on a lender's standard variable rate (SVR). SVR rates are typically

much higher than the competitive remortgage deals available on the market. By not acting, you may be losing out on significant financial savings each month.

But saving money isn't the only reason to consider remortgaging. Many homeowners remortgage to access additional funds, which can be used for home improvements or consolidating high-interest debt. The flexibility to adapt your finances to suit your needs is one of the key advantages of remortgaging today.

PLANNING FOR 2025 AND BEYOND

If you're currently enjoying a cheap fixed-rate mortgage that runs until 2025, you may be bracing for increased costs. Even the most competitive mortgage rates in the current climate are higher than the deals many homeowners have secured in recent years. However, remortgaging remains a potential money-saver. Staying on your lender's SVR after your fixed rate ends could

cost far more than opting to remortgage for a new fixed term.

Remortgaging can also give you certainty over your monthly outgoings if you fix your rate. This stability ensures your repayment amount won't change during your fixed term, making budgeting easier. That said, fixing your mortgage means you won't benefit from falling rates if the Bank of England cuts the base rate further.

CHOOSING BETWEEN 2, 5, OR 10-YEAR FIXED TERM DEALS

Deciding the length of your fixed-term deal can be tricky. A 2-year deal might seem appealing if you expect mortgage rates to improve in the near future, allowing you to remortgage onto a cheaper rate when the term ends. However, shorter fixed terms often come with higher rates compared to 5-year fixed mortgages.

For those seeking long-term stability, a 5-year fixed term can offer peace of



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mind and protection against potential rate increases. Alternatively, a 10-year fixed term may suit homeowners who value consistency and wish to avoid repeated arrangement fees over the coming years. The additional benefit of such an extended fixed term is protection against tighter lending criteria that could make remortgaging harder in the future.

TRADE-OFFS OF LONG-TERM FIXES

While a 10-year or longer fixed mortgage offers predictability, it's not without its risks. Opting for a long-term fix could mean you miss out on better deals if rates drop significantly during your term. Additionally, consider how it could limit your flexibility if you wish to move home. Some mortgage deals are portable, allowing you to transfer them to a new property without penalty, but this isn't guaranteed.

Before committing, think carefully about your long-term plans and how they align

with the terms of your mortgage. This will help ensure your decision remains advantageous for the years to come.

COMPARING TRACKER AND VARIABLE RATE MORTGAGES

While fixed-rate mortgages are favoured for their predictability, tracker and variable rate mortgages offer an alternative worth exploring. A tracker mortgage adjusts in line with the Bank of England base rate—so if interest rates fall, your monthly repayments will decrease accordingly.

On the other hand, discounted variable rate mortgages follow the lender's SVR but apply a discounted rate for an agreed period. Beware, though—your payments are still subject to fluctuations as the lender amends their SVR. The advantage of certain variable rate deals is the lack of early repayment charges, giving you the freedom to switch to another deal later with minimal financial impact.

TAKING THE NEXT STEP

Navigating the mortgage market can feel complex, particularly when rates are in flux and your financial needs evolve. Whether you're motivated by potential savings, the prospect of financial flexibility, or the security of fixing your repayments, remortgaging can be an opportunity to reassess your financial priorities. ■

DO YOU REQUIRE EXPERT ADVICE ON A MORTGAGE TAILORED TO YOUR CIRCUMSTANCES?

If you're considering remortgaging and require expert advice tailored to your circumstances, don't hesitate to contact our team. We are here to help you explore the right deals on the market and provide guidance every step of the way. Contact us today to get started.

HOW TO LOWER MORTGAGE PAYMENTS AND MANAGE COSTS EFFECTIVELY

A likely solution that could ease your financial burden

With mortgage rates currently at higher levels than in recent years, many homeowners face challenges in managing their monthly payments. The uncertainty regarding when mortgage rates might decrease only adds to the pressure. Evaluating your current mortgage situation and exploring ways to reduce your monthly payments has never been more important.

Below, we'll outline some ways to help you lower your mortgage payments. Whether you're looking to remortgage, adjust your payment structure, or trim related expenses, there's likely a solution that could ease your financial burden.

REVIEW YOUR CURRENT MORTGAGE RATE

One of the most common and costly mistakes mortgage borrowers make is staying on their lender's standard variable rate (SVR) after their initial deal expires. Whether you previously had a fixed or tracker introductory rate, allowing it to roll over to the SVR can lead to unnecessarily high payments. This is because lenders use the high interest charged on SVRs to offset the cost of offering attractive introductory mortgage deals.

If you're currently on your lender's SVR, one of the simplest ways to cut your mortgage payments is to remortgage to

a better deal. However, keep in mind that the rates and deals you can access will be influenced by your specific circumstances, which is why consulting a professional mortgage broker may be a wise move.

CONSIDER AN INTEREST-ONLY MORTGAGE

For homeowners who don't have consistent monthly income but expect to receive a significant lump sum in the future, switching to an interest-only mortgage could be an option to explore. With this type of mortgage, borrowers only pay the interest portion each month, significantly reducing their payments in the short term. However, there are pitfalls to this method.

Interest-only mortgages aren't as widely available as they once were, and lenders impose stringent criteria, including high-income requirements and considerable home equity. Additionally, these mortgages still require repayment of the principal at the end of the term, so you'll need a well-defined plan to ensure you can pay off the balance. Without such a plan, you could be forced to sell your home to cover the debt.

EXTEND YOUR MORTGAGE TERM

Another way to reduce your monthly outgoings is by extending the term of your mortgage. By spreading your repayment

period over more years, the monthly amount you owe decreases. This is a simple and effective way to make payments more manageable, particularly if short-term affordability is your primary concern.

The downside, however, is that an extended term means you'll pay more in total interest over the life of your mortgage. Before committing to this option, carefully consider the long-term financial impact.

SHOP AROUND FOR A BETTER DEAL

It's always worth checking to see if there are cheaper mortgage products available. Mortgage rates and deals vary widely between providers, so switching to a different lender could potentially save you thousands over the course of your loan.

Similarly, you might be able to cut costs further by reassessing your mortgage protection insurance, along with your buildings and contents insurance. Switching to more competitive policies could free up extra cash while maintaining peace of mind.

OVERPAY WHEN YOU CAN

If your financial situation allows, making overpayments on your mortgage is an impactful way to save money in the long term. Reducing the principal accelerates your path to being mortgage-free while cutting the amount of interest you'll pay overall.



Bear in mind, however, that many lenders impose limits on how much you can overpay each year without incurring penalties, so it's crucial to check the terms of your mortgage agreement. Also, ensure any spare funds aren't better used to address expensive debts or to build an emergency savings fund.

EXPLORE OFFSET MORTGAGES

Offset mortgages are an attractive option for those with savings they wish to retain access to. These link a savings account to your mortgage, and the balance reduces the interest charged on the loan.

This allows your savings to work harder without locking the funds into your property. However, offset mortgages aren't as widely available and often have slightly higher interest rates than traditional deals, so they may not work for everyone.

IMPROVE YOUR LOAN-TO-VALUE RATIO

Your loan-to-value (LTV) ratio – the percentage of your property's value that you've borrowed – plays a pivotal role in determining the mortgage rates available to you. Lower LTV ratios are viewed as lower risk, often resulting in lenders offering better deals.

If you're close to a new LTV threshold, like 80% or 85%, making small overpayments to reduce your principal could unlock cheaper options when you come to remortgage.

KEEP YOUR CREDIT SCORE HEALTHY

When assessing your mortgage application, lenders place significant importance on your credit score. A higher credit score enhances your chances of being approved for the most competitive products, which could save you substantial sums in interest payments over the life of your mortgage.

Maintaining a strong credit score means paying bills on time, reducing existing debt, and limiting new credit applications. Regularly checking your credit report can also help you spot any inaccuracies that might be lowering your score. ■

TIME TO TAKE CHARGE OF YOUR MORTGAGE?

Lowering your mortgage payments requires effort, planning, and a willingness to explore your options. Don't hesitate to contact our team for tailored advice or further information. Their expertise could help you identify the most suitable solutions for your circumstances and guide you towards long-term financial stability. Contact us for more details.

WHAT POTENTIAL 2025 INTEREST RATE CUTS COULD MEAN FOR YOUR MORTGAGE

While these rate cuts are hopeful, their likelihood depends on various factors

Will interest rates drop in 2025, bringing some intriguing possibilities? Bank of England Governor Andrew Bailey commented during an interview with The Financial Times on December 4. He suggested the UK could be in for four quarter-point interest rate cuts this year. If this happens, the current base rate of 4.75% (18 December 2024) could drop to 3.75%.

However, economic predictions aren't set in stone. While these rate cuts are hopeful, their likelihood depends on various factors. Inflation, a major driver in the Bank's decisions, could alter the path forward. Unforeseen events might also sway decision-making. And even if rates do fall as expected, the ripple effects on your mortgage could vary greatly depending on what type of deal you're locked into.

INTEREST RATES IMPACT ON YOUR MORTGAGE

The Bank of England's base rate acts as a financial compass, especially for homeowners. It's the benchmark for borrowing costs across the country. When the base rate falls, mortgage rates generally follow—but not always evenly across all mortgage types.

HERE'S HOW DIFFERENT TYPES OF MORTGAGES MIGHT RESPOND TO A 2025 RATE CUT

NEW MORTGAGES

If you plan to take out a mortgage for a new home or consider remortgaging in 2025, falling interest rates could make your options more favourable. Lower rates might reduce the overall cost of borrowing. However, there's no guarantee that banks and lenders will pass on the full rate cut to borrowers.

TRACKER MORTGAGES

For homeowners currently on tracker mortgage deals, a drop in the base rate would translate directly to lower monthly payments. Tracker rates are tied to the Bank of England's base rate, so when this benchmark dips, your mortgage rate will immediately reflect the reduction.

DISCOUNTED VARIABLE RATE MORTGAGES

With a discounted variable rate mortgage, you pay a rate slightly lower than your lender's Standard Variable Rate (SVR). While a base rate cut could lead to cheaper rates on these deals, lenders are not required to pass on the full rate reduction—or any reduction at all.

STANDARD VARIABLE RATES

If you're on a lender's Standard Variable Rate, your payments might decrease in response to interest rate cuts—but as with discounted variable rates, the size of the reduction (if any) lies at your lender's discretion. SVRs are some of the most expensive mortgage options, so if you're on one, now's a good time to review your mortgage deal anyway. With better options potentially opening up in 2025, you could stand to save by remortgaging.

OPPORTUNITIES FOR SAVINGS AS MONTHLY PAYMENTS SHRINK

Falling interest rates can bring opportunities for savings as monthly payments shrink for certain kinds of mortgages. It might be a golden chance for new borrowers or those looking to switch deals to lock in lower rates. However, it's crucial to remember that benefits aren't guaranteed. Lenders won't always pass on reductions uniformly, so some mortgage types stand to gain more than others.

Additionally, while lower rates may sound highly appealing, they can signal an economy facing challenges—such as low growth or other persistent issues.

MANAGING YOUR MORTGAGE IN 2025

If you're on a high-interest Standard Variable Rate, start comparing mortgage products now. Even before rates fall, locking into a good fixed-rate deal could offer peace of mind.

Don't assume your current lender will provide the best options. We can review offers from various lenders.

If you think you'll be remortgaging, prepare the paperwork, review your credit score, and monitor the market. Doing everything early can help you snag the best rates.

While no one can predict the future with certainty, preparing for potential rate cuts in advance can help you make the most of what 2025 may bring. Whether you're tightening your budget or exploring new borrowing options, understanding how interest rates interact with your mortgage is key to staying ahead of the curve. Stay informed, stay prepared, and you'll be better equipped to make smart financial moves. ■

ARE YOUR HOMEOWNERSHIP DREAMS WITHIN REACH?

Whether you're exploring your options, need expert advice, or want guidance every step of the way, our team is ready to provide personalised support tailored to your unique situation. Don't wait—contact us today, and let's take the next step together on your path to owning a home!

YOUR COMPLETE GUIDE TO GETTING A MORTGAGE

How you can increase your chances of success and avoid unnecessary delays

Navigating the mortgage application process can seem daunting, whether you're a first-time buyer or returning to the housing market after years away. Understanding the steps involved can significantly ease the path to securing your dream home. From knowing what lenders look for to how you can increase your chances of success and avoid unnecessary delays, preparation is key.

HOW MUCH DEPOSIT DO YOU NEED?

When working out how much deposit you'll need, it's worth noting that most lenders require a minimum of 5%. However, the larger your deposit, the cheaper your mortgage rate is likely to be. This makes it worthwhile to explore how you can save and maximise your deposit in the run-up to applying for a mortgage. If you're fortunate enough to have supportive family willing to assist, a gifted deposit can be a useful option.

Another resource to consider, if you're aged 18-39 and buying a home for the first time, is the Lifetime ISA (LISA). With a LISA, you can save up to £4,000 each tax year, and the government will top up your savings with a 25% bonus – up to £1,000 annually. Alternatively, schemes like shared ownership can make homeownership accessible with a smaller deposit. Guarantor mortgages are another viable solution, allowing loved ones to help by putting up security rather than offering money outright.

PREPARING FOR YOUR MORTGAGE APPLICATION

The six months before applying for your mortgage are crucial. Use this time to get 'mortgage ready' by addressing key areas of your financial health. Start by checking your credit rating. If there are any errors on your report, ensure they are corrected quickly, as they could raise issues with lenders.

Additionally, ensure you're registered to vote. Being on the electoral roll is vital; lenders use this information to verify your identity and prevent fraud. If you're not eligible to vote, you can include a notice of correction with proof of address to avoid difficulties. Keeping your bills up to date is also essential—set up Direct Debits wherever possible to avoid missed payments, which could impact your credit score.

BOOSTING YOUR FINANCIAL PROFILE

Steering clear of overdrafts in the months before your application is another important step, as some lenders view recent overdraft use as a red flag. Similarly, avoid applying for new lines of credit in this period, as frequent credit searches can raise concerns with lenders.

Reducing your spending will also work in your favour. Lenders will scrutinise your outgoing expenses through your



bank statements, so demonstrating a disciplined approach to your finances can increase your chances of approval. Cutting back not only boosts your credibility with lenders but can provide you with additional financial breathing room during the property-buying process.

HOW LENDERS ASSESS YOUR APPLICATION

Lenders will carefully examine your household income, regular expenditures, and any outstanding debts when deciding how much they are willing to lend you. They need to ensure you can comfortably afford the monthly payments on your mortgage. Your credit history is equally important. Lenders will analyse your credit report to gain a clear picture of your financial habits and reliability.

It's also worth thinking ahead about the required documentation.

Compile essential documents early, such as identification (passport or driving licence), your last three months' payslips, and your most recent P60. If you're self-employed, you'll need statements covering two to three years of accounts. Lenders will likely also request your current account

bank statements from the last three to six months and details of your regular expenses, including loans, childcare costs, and general living expenses.

SECURING A MORTGAGE IN PRINCIPLE

One step many prospective home buyers overlook is obtaining a mortgage in principle (also called an agreement in principle or decision in principle). This is essentially a statement from a lender stating how much they could lend you based on your income and outgoings. While not a guarantee of a mortgage, it shows you're serious and prepared when bidding on a property.

It's wise to get a mortgage in principle as early as possible, even before you start house-hunting. Once you've found your desired property and your offer has been accepted, you can move on to the formal mortgage application process, which involves a full credit check and property valuation.

MOVING FROM APPLICATION TO COMPLETION

After submitting your formal application, lenders will assess all the provided

information, conduct additional checks, and, if satisfied, issue a formal mortgage offer. Once your solicitor informs them of your completion date, the lender will transfer the agreed loan amount to fund your purchase.

At this stage, it's essential to remain responsive and proactive, ensuring there are no unnecessary delays. With all the moving parts coming together, you'll soon be ready to take ownership of your new home. ■

NEED MORE GUIDANCE ON GETTING MORTGAGE READY?

The mortgage process doesn't have to be overwhelming. By preparing thoroughly and seeking professional advice, you can make informed decisions throughout your home-buying journey. For expert-tailored support or further information, we're here to help make your dream of homeownership a reality!



When it comes to mortgages, taking advice can be a daunting process, whether you are looking to take financial advice for the first time or you've taken financial advice in the past.

Finances often take a low priority for many people because they are complex, but at Simply Mortgage our clients appreciate our ability to make the mortgage-arranging process both simple and enjoyable.

At Simply Mortgage, we ask the questions, look into your future, give straightforward advice and find the right mortgage solution for you.

Contact us today to begin your journey – we look forward to hearing from you.

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