WHAT IS A PRODUCT TRANSFER?

KEY MORTGAGES

When your mortgage deal does comes to an end, these are 3 things to consider:

1. ***Staying with your current lender -*** If you've taken out a product that gave you a particular rate for a specific period of time, let's say 2 years, then after these 2 years your mortgage will automatically move onto a different rate (variable) for the remaining term of the mortgage. This is often higher than the rate you will have been on previously and therefore it's likely that your monthly payments will increase. If your initial rate was fixed and you've been used to some certainty, then it's also worth bearing in mind that this new variable rate could change again in the future.

2. ***Remortgaging to a new lender -*** Lots of other lenders will offer you, as a new customer, attractive 'deals' to switch over to them with a remortgage. This will involve a full new application, underwriter's approval and a valuation of your home. There will also be some legal work required (albeit less than what you will have experienced when purchasing). This can all take some time but it's worth it, as long as you're saving money.

3. ***Doing a Product Transfer with your current lender -*** In much the same way that other lenders will be offering you attractive mortgage products to switch to them, your own provider will be offering you deals to stay. Switching to one of these products does not require as much administration (e.g. no underwriting, valuation or legal work). Product Transfer deals are now much more competitive than they used to be so it's often possible to save yourself money as well as time!

There are advantages to all three of the above, depending on your circumstances, so it's really important to do what's right for you. With thousands of different mortgage products out there on the market, you might be feeling a bit overwhelmed. If you're unsure what to do and would like to discuss things in some more detail, please call or drop us a message.