

## **Your questions answered**

There are many questions which seem to be un-answered or un-clear in the mortgage world, so to try and make everything seem clearer, we have put together some questions and answers for everyone.

### **What's going on with mortgage applications?**

If you have a mortgage application going through currently, you will be happy to know that applications are still being processed. However, you may find slight delays in lenders processes due to Covid-19. If you have a mortgage which has gone to offer, many lenders are offering extensions until you are able to complete. The lender may wish to see up to date supporting documents to evidence the mortgage is still affordable if time goes on. If you do have a change in circumstances, be sure to inform your broker or lender so they can keep the application updated and ensure the mortgage will still be affordable for you.

### **Are mortgage lenders taking new business?**

Yes, lenders are still taking on new business for house purchases and re-mortgages. However, due to the pandemic, some lenders have restricted their criteria in order to adapt to the forced changes. The most common restriction currently are the available loan to values (LTV), the percentage of the houses value you can borrow as lenders have reduced the loan to values currently being offered. Although it is possible to still achieve a 90% LTV, most lenders have restricted theirs to between 75%-85% LTV. Most lenders are now carrying out virtual valuations. However, since the latest Government statement, lenders are slowly introducing physical valuations again. How long will this last? The honest answer is – we are unsure at this moment in time. Although, some lenders are beginning to lift the LTV restrictions following the latest Government announcement, so we are hoping this will be an ongoing trend and the mortgage market will soon resume normal practice.

### **Can I switch my current product with my lender if I have a higher LTV?**

If your fixed rate is due to end, or you are on a variable rate of interest currently - yes, your current provider will honour your current LTV if you are switching your product. They will have exclusive product switch interest rates available. If you would like to know more information on product switches then contact your broker or lender and they will be able to assist.

### **What is a mortgage holiday payment?**

A mortgage holiday payment is what lenders are offering their clients if they have been financially affected by Covid-19. It will allow you take a holiday from your monthly mortgage payments for up to 3 months. The idea is to reduce any financial strain that may occur through this time by allowing you to have a break from your monthly mortgage payments. Please be aware that mortgage payments will resume after the 3 months and the interest will still accrue during the time the holiday is taken. The mortgage lender will assess the interest and add it to your remaining term once payments are resumed. The mortgage lender will inform all credit agencies of your holiday payment and have assured clients that their credit will not be affected.

### **Is there any other alternative to a payment holiday?**

In some circumstances, yes. In some circumstances, some lenders are allowing clients to switch to interest only payments to reduce the monthly outgoings. For example, if you have previously over-paid on your mortgage, then some lenders are offering the opportunity to under-pay on your monthly payments during the covid-19 pandemic. If you have any questions, then contact your broker or lender for more information.

**As a mortgage is secured against your home or property, it could be repossessed if you do not keep up the mortgage repayments**

**To find out more contact us on  
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