



Mortgage lenders exist to provide a service for their customers, although with the current rock bottom interest rates and the nominal return these provide to the lenders, their decision makers are keen to ensure that any element of risk is reduced to the

UK regulations introduced seven years ago, made sure that potential borrowers were put through a totally new process of scrutiny, to cover not only their ability to afford the mortgage based upon their current income, but also how they might cope in the event of interest rates moving to a significantly higher rate in the future. This review moved the onus of responsibility for ensuring that the mortgage was affordable from the borrower to the lender, so heralding a new era of "responsible lending" which continues to this day.



BORROWERS LEFT OUT IN THE COLD

The unfortunate by product of these regulations is the significant number of borrowers who have found that they are no longer eligible for a conventional mortgage, despite the monthly repayments being more than affordable and, in many cases, less than the rent they may otherwise be paying. With many only discovering they are not eligible, after they have negotiated a price to purchase a property and applied to their bank for a mortgage..

These "higher risk" borrowers can often fall into several different categories, to include:

High net worth arrivals in the Island, seeking a bespoke lending facility, frequently short term and interest only

Self-employed people who cannot provide two or three years of profitable trading figures, either because they have not been trading long enough, or more recently because they have fallen foul of the Covid 19 lockdown

People who are still working through a probationary period with a new employer

Existing property owners who wish to undertake major renovation or extension works to their property

Property owners looking to buy their future retirement home now, but don't wish to move for several years

Homebuyers seeking an Interest only facility, whose bank will only offer a repayment mortgage

Parents who wish to release equity from their home to help their children buy their own property

Home-owners who wish to raise equity to buy another asset, such as a boat, plane or holiday home

Self-build projects, seeking funding on a staged payment basis

Builders who need development finance, or short-term bridging, to enable them to complete a project.

The Best Rates...

Pick of the Bunch
(% loan to property value/price)

60%	2 year fixed	1.09%
60%	5 year fixed	1.34%
60%	7 year fixed	1.76%
60%	2 year tracker	0.94%
85%	2 year tracker	1.35%
85%	2 year fixed	1.44%
85%	5 year fixed	1.79%
90%	2 year tracker	1.94%
90%	2 year fixed	1.94%
90%	5 year fixed	2.09%
60%	BTL 2 year fixed	1.64%
60%	BTL 5 year fixed	2.08%

* Rates correct at time of printing | BTL = Buy to let mortgage.

ALTERNATIVE LENDING

Seeking finance to cover these options can be difficult, if not impossible, although The Mortgage Shop has access to lenders with funds available to cover many of these scenarios and has been broking tailored, bespoke mortgage and lending options for over thirty years.

In recent years, The Mortgage Shop has satisfied an increasing demand for alternative mortgage finance, and continues to push back the barriers of innovation, for the right candidates.

While our team of professionally qualified advisers and administrators have been unable to conduct the traditional face to face interviews with clients, due to lockdown restrictions, this has not prevented us from putting together an ever-increasing number of new files for clients, while working remotely throughout the pandemic.



the mortgage shop

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