



The **ULTIMATE** Guide for First Time Buyers

Your first Step onto the property ladder, with Leek Building Society

Buying your first home is a huge milestone, and we're here to help you every step of the way. As a mutual organisation, Leek Building Society is owned by its members, not external shareholders. This means our focus is always on you.

We offer a wide range of savings accounts and mortgages, and with 12 local branches, our team is always ready to provide expert advice and support face-to-face.

We've been a trusted part of the community for over 160 years, guided by our purpose: We're a **force for good**. We exist to help our communities grow, so they can do **great things** today and **even better things** tomorrow.

We're committed to offering a personal, friendly service that genuinely meets your needs, ensuring you get the support you need to make your homeownership dream a reality.



YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE

LEEK BUILDING SOCIETY CANNOT BE HELD RESPONSIBLE FOR ANY MARKET CHANGES WHICH MIGHT IMPACT THE COSTS LISTED IN THIS GUIDE

Welcome to the **ULTIMATE** First Time Buyers Guide!

Designed to help you through the entire process of buying your first home, it covers each stage of the process – from first dreaming about your new property to the nuts-and-bolts of what to do during the first week in your new home.

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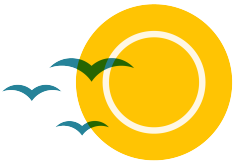
Jargon buster

From APRC to valuations, our handy jargon buster explains all the words you'll hear during the mortgage application process.



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8



things to think
about when **buying**
your first home



Congratulations!

Making the decision to try to get on the property ladder is a brave step. It's an exciting time. But we know from decades of experience of helping first time buyers that it can also feel daunting and – at times – a little overwhelming.



That's understandable. It's a complicated process and, until you've done it once, how can you be expected to know what's coming?

If you're buying with someone else, it's important that you both understand each other's priorities – and where you'll need to work together to find acceptable compromises that work for you both.

To help you understand the big picture and get a clearer idea of your choices and possibilities, here are **eight questions to consider**. They will each have an impact on your house search, so take some time to think about each one in depth.

1

Do you have a deposit?

As a minimum, you're likely to need a 5% deposit. So, for example if the property you want to buy is valued at £150,000, you'll need a minimum of £7,500 available for your deposit. Buying with a partner, a friend or a family member is known as a joint mortgage. Both of you will be equally responsible for repaying the mortgage, so it's important that you're able to keep up the repayments.

It might also be worth investigating Right to Buy¹ or Shared Ownership schemes:

- **Right to Buy:** Right to Buy is a government scheme that lets you buy your home at a substantial discount if you're a council tenant.
- **Shared Ownership:** Shared Ownership means buying a share of a home from a housing association and paying rent on the rest. The property is bought from a housing association.

To help raise a deposit, you could also opt for a gifted deposit from a family member. Alternatively, if you don't have the required deposit and depending on your circumstances, some lenders offer guarantor mortgages², where someone else such as a family member guarantees to pay the mortgage if you are unable to.



¹Right to Buy is only available to those renting from the local authority wanting to buy the property they are renting.
²Guarantor mortgages are currently not available through Leek Building Society.

2

How much can you borrow?

The amount you're able to borrow depends on lots of factors, including your income (or joint income if you're applying for a mortgage with someone else), your current expenses, any existing loans you owe, and the size of your deposit.

We complete an affordability assessment, which calculates how you would cope with any potential interest rate rises given your income, expenditure and the size of your household. To confirm you can comfortably manage your mortgage alongside all your other financial commitments, we'll need to see evidence of your income and spending. This is a key step to make sure you get a mortgage that works for you. This assessment enables us to arrive at a figure that's suitable both for us to lend and you to repay – giving you an idea of your maximum available budget for your dream first home.

What monthly repayments can you afford?

When you're trying to work out the level of monthly mortgage repayments you can afford, it's important to take a close look at your spending and understand precisely your existing financial commitments.

These might include, but are not limited to:

- Car maintenance
- Credit and store cards
- Gym memberships
- Hire purchase agreements
- Insurance policies
- Leisure (e.g. eating out, activities, holidays)
- Maintenance payments
- Mobile phone, television and internet contracts
- Nursery or school fees
- Outstanding loans (e.g. car, student, etc)
- Pension contributions
- Gas/electricity
- Council Tax

3

4

Where do you want to live?

When you're starting your house search, one of the first things you'll need to consider is where exactly you want to live. Once you've decided on an area, you can start to drill down what properties are available in your price bracket.

Choosing where you'd like to live is not always simple. If you're buying a house with someone else, it's worth you both spending time thinking through the issues independently and perhaps each coming up with a list of potential locations. Then you can compare and see if you have any shared choices that are near the top of both your lists.

Factors that could impact where you want to live can include:

- Affordability
- Crime statistics
- Quality of schools
- Location of friends and family
- Commuting time
- Nearby facilities (parks, shops, cafes, restaurants, gyms, etc)
- Public transport links

5

What type of property do you want?

Ultimately, the type of property you buy will be restricted by what's available in the place you want to live, with the budget you have. You can refine your search, at least in the early stages, by thinking about all the different options open to you.

New or old?

New builds will probably come with fewer maintenance issues, especially during the first few years. But many home buyers are attracted by the perceived charm and character of older properties.

House or flat/apartment?

Houses and flats are very different propositions, each with their own benefits and downsides. If you're adamant you want a house, think about whether you'd prefer a terraced, semi-detached or detached property. For flats, consider whether shared garden space is important to you, whether you'd prefer ground level or to be high up, and if a dedicated parking space is a deal-breaker.

What are your other priorities?

This is definitely an exercise to do by yourself before comparing your results with anyone else. It will reveal a lot about where the common ground is on the type of property you'd both be happy to buy.

Common priorities can include:

- A garden (private and south facing for extra bonus points)
- A garage
- A drive or designated parking spot
- A shed/outdoor storage space
- Easy access to public transport
- A minimum number of bedrooms
- Loft or cellar
- Room for a dining table
- Downstairs bathroom

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Use our handy template on page 10 to help make your decisions.

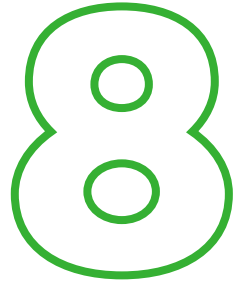
7

Do you know a solicitor?

Once you've found the property you want to buy and had your offer accepted, it's time to get a solicitor.

If you have any friends who have recently bought their first house, or any family that have recently moved in the same town or city as you, ask them which solicitor they used. You might get some useful recommendations on who to work with.

We recommend getting a few quotes and that you understand what will be covered as part of the fee. If all else fails, the estate agent selling the house you're hoping to buy will often be able to provide a list of recommended solicitors they work with.



What type of mortgage should you choose?

When it comes to choosing which type of mortgage is best suited to your needs, it's well worth understanding the different variety of mortgages that are on offer.

So, what are the different kinds of mortgage on offer?

Fixed rate

A fixed rate mortgage offers the stability of a fixed rate of interest until an agreed date, with the interest rate remaining fixed until that date.

Discounted mortgage

These deals usually offer a discount off a Standard Variable Rate (SVR). If your lender's SVR changes during the term of your mortgage deal, it will also affect your monthly mortgage payments. The discount tends to last between one and three years.

Tracker mortgage

With a tracker mortgage, the interest rate is set at a percentage above or below the Bank of England (BoE) base rate. So if the Bank of England rate increases/decreases by one percentage point, so does your mortgage. Some trackers only run for a couple of years and then go to the Standard Variable Rate but you can get ones lasting the lifetime of your mortgage term.

Standard Variable Rate (SVR) mortgage

A standard variable rate mortgage is a basic rate mortgage with a lender that is not discounted or fixed in any way. SVR rates differ between lenders and is the rate which discount mortgages are calculated against.

Repayment Types

Capital and Interest	This is the type of mortgage where monthly payments are made up of capital repayments and the interest on the mortgage. When you repay your mortgage, part of your money goes towards the interest charged on your mortgage and the other part towards repaying the money you've borrowed - the capital.
Interest only mortgage	You pay the interest due against the mortgage. This makes your monthly repayments smaller than a capital and interest repayment mortgage, but at the end of your mortgage, all the money you've borrowed will still be outstanding. You will need a clear repayment strategy to ensure you have the funds ready to repay the amount you borrowed.

What happens at the end of your mortgage deal?

Once you're at the end of your mortgage deal you may wish to consider switching. If you don't switch, you're likely to be moved to the Standard Variable Rate on your existing mortgage. Your current lender will contact you a few months before the end of your deal to explain your options, but you may consider researching alternative options.

If you need to move house within the mortgage term, many mortgages are 'portable', meaning your mortgage deal gets transferred to your new address and you can retain the benefits of your existing mortgage product and potentially avoid any early repayment charges (ERC).

Properties Comparison Template

Use our handy template to compare properties and check whether your potential new home matches your top priorities.

	Property 1	Property 2	Property 3
Property Address			
Price			
Year Built			
Square Footage			
Bedrooms			
Bathrooms			
Garden			
Garage/Parking			
Loft/Cellar			
Amenities (e.g. schools, shops, public transport)			
Renovation needed			
Additional comments			



Improving your mortgage chances



Improving your mortgage chances

There are plenty of things you can do to boost your credit score and improve your chances of getting your mortgage application accepted. Some of these tips are not quick fixes, so the earlier you prepare, the bigger the boost to getting that dream home.

A credit score is a numerical number which depicts your creditworthiness. It's based on your credit history and calculated from many factors such as repayment history, credit usage and length of credit history.

Most lenders will use your credit score to predict your future behaviour as a borrower. Each credit rating agency uses a different numerical scale, but as a general rule; the higher the number, the better you'll look to potential lenders.

Leek Building Society does not use credit scores when assessing the credit worthiness of a borrower. Instead, we review each case on an individual basis and on its own merit.

Here are some ways you can improve your credit score.

Prove where you live

When you register to vote, your electoral details are recorded on your credit report. This helps lenders confirm your name and address, meaning your credit score increases as a result.

Register to vote on the electoral roll by visiting: www.gov.uk/register-to-vote

Build up your score

Having little or no credit history counts against your score as it's difficult for lenders to predict your future credit behaviour. Likewise, having a poor history will damage your score too.

Having a credit card and ensuring you're always paying it off on time and in full each month can help build a positive credit history and improve your score, but it'll take time.

Set up direct debits as it's really important you're not late or miss any payments.

Limit credit applications

Be mindful that applying for a lot of credit in a short space of time, whether the application is successful or not, could be detrimental because it raises red flags to lenders - it makes you seem heavily reliant on credit. This includes applications such as car insurance or mobile phones. Time it so they're minimised in the few months running up to your mortgage application if you can.

Check your credit file

It's your right to access your credit report and score from any credit reference agency for free and the three main ones are Experian, Equifax and TransUnion. One way to check your Experian credit report and score for free is by signing up to the Money Saving Expert Credit Club¹.

Pay attention to any closed accounts or any historic accounts that may link you with an ex-partner as their credit management may impact yours.

Don't max-out your credit

If possible, try not to use more than 25% of your credit limit at any given time and avoid dipping into overdrafts. Utilise your account alert features to help you manage your finances.



10

steps to buying
your first home



START
HERE

1



Save for your deposit

Before you do anything, you'll need a good chunk of money ready to act as your deposit. Analyse your spending; saving extra here and there will make a big impact over time. A lot of lenders also accept gifted deposits from immediate family members.

2



Find out how much you can borrow

Speak to a lender or Mortgage Adviser. They'll review your financial situation, complete an affordability assessment and help you apply for a decision in principle. This will determine the precise maximum figure you could borrow and help with your budgeting and searches.

8



Talk to your solicitor

Your solicitor will start the legalities of the property sale. These include handling contracts, providing legal advice, carrying out local council searches, dealing with the Land Registry and also manage the transfer of funds to pay for your property.

7



Get an approval in writing

When your offer is accepted, apply for your mortgage. They'll arrange for a mortgage valuation and if the checks are satisfactory, you'll receive a formal offer of mortgage, which is usually valid for 6 months. You may wish to consider getting a full survey on your potential property. It could highlight any major risks or potential building problems and prevent unexpected repair bills.

9



Exchange contracts

This is when it all becomes real. You sign your contract; the seller signs theirs. When your respective solicitors exchange those contracts, there's no backing out: the house is yours.

10

Move!

The big day! Amid all the chaos of removal firms, boxes galore and making sure you've got every little detail under control, remember to take a minute to enjoy the moment.

3

Set your budget

Take some time determining exactly how much you're willing to spend, both in total and on your monthly repayments. Once that's settled, you're closer to starting your search.

4

Decide what you're looking for

Finalise your priorities to help narrow down your property search. Where do you want to live? What type of property do you want? What are the must haves and what are the deal-breakers?

6

Make an offer

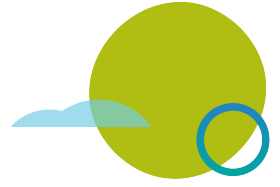
When you've found your house, it's time to talk money. Decide your bidding strategy and what the absolute limit is that you're prepared to pay. Make sure you don't go over!

5

Start your search

Book viewings for any property that catches your eye. You'll learn something on every visit, regardless of whether it's the home you fall in love with or a wreck you never want to see again.





How much will it cost?



So, typically how much will buying a house cost?

Buying your first house isn't cheap. As well as your deposit, you'll need to set some money aside for a series of other expenses.

Removals firm

Lots of factors affect the cost of moving your stuff from your current place to your new abode. These include:

- The quantity of items you're moving. If you're in a small rented place now, it's unlikely you'll spend as much on removals as someone in a five-bed detached.
- How far you're moving. Time and mileage soon rack up if you're moving long distances.
- Which day of the week you're moving (weekends are more expensive).
- How many removal workers you'll need.

Typical cost: £400-£1,00¹

Solicitor's fees

To complete all the legalities and paperwork around your house purchase, you'll need the help of a qualified solicitor or conveyancer. They will:

- Conduct local searches to find out any plans or problems
- Handle any questions you have about your property
- Prepare the contract to buy your property
- Exchange contracts with the seller's solicitor
- Request your deposit and transfer it to the seller's solicitor
- Prepare the deed of transfer and mortgage deed
- Coordinate any Stamp Duty payments (if applicable)
- Register your ownership with Land Registry
- Send deeds to Leek Building Society (or your chosen mortgage supplier).

Typical cost: £500-£1,500²

Mortgage fees

Mortgage fees vary depending on which mortgage product you choose and from which Building Society or Bank you borrow from. In general, you should expect to pay two fees – a product fee and an application fee.

Take care doing the maths: a higher upfront product fee might be better in the long-term if it unlocks a lower interest rate. However, this assumption is not always guaranteed.

Leek Building Society doesn't charge an application fee and not all our mortgage deals incur a product fee either. Meet with one of our Mortgage Advisers who will go to great lengths to find a mortgage that is most suited to you.

Typical costs: £0-£2,500 (product fee) and £100-£200 (application fee)³

Stamp Duty

Stamp Duty is a special tax you pay when buying a property. The good news is that first time buyers don't pay any Stamp Duty on the first £300,000 they spend on their property.

If your property costs more than £300,000 but less than £500,000, you will pay 5% Stamp Duty on the difference (e.g. if your property costs £450,000, you will pay 5% Stamp Duty on £150,000 – the difference between the £300,000 threshold and the price of your property).

However, if you're a first time buyer spending more than £500,000 on your property, you'll not be given any Stamp Duty relief. You'll pay Stamp Duty on the full value of the property, just like any other house buyer.

Usually your solicitor will deal with the Stamp Duty return and any payment due for you.

Typical cost: £0³ (based on average first time buyer property value of £311,034)⁴

Valuation and survey

When you apply for your mortgage, your lender will want to check that the property you're planning to buy is worth the money they're lending against it. This protects the lender, so that in the worst case scenario of them having to repossess the property, they know they can recoup the money they have invested in the mortgage simply by selling the property. To do this, they will hire a professional property valuer to assess the property's current market value. Leek Building Society doesn't currently charge a valuation fee, but other lenders might. A survey is designed to alert you to potential problems with the property that you might otherwise be unaware of. While it is voluntary (you don't legally have to have a survey conducted), it is highly recommended. Good surveys can make you more aware of the financial commitment you're taking on by letting you know about hidden details like damp, structural issues or other potential problems that might make you think twice. If a survey finds something particularly costly to put right, you might not want to go ahead with your purchase. Alternatively, you might ask the seller to reduce the asking price of the property to allow for the work that is required.

**Typical costs: £300 (valuation)
£500-£1,500 (full survey)³**

Deposit

There are a number of lenders that offer 95% mortgages, meaning you will require a minimum of 5% of the total mortgage amount. This will also include any fees and charges.

The more you can save for your deposit, the cheaper your mortgage will be. Not only will you be borrowing less (and therefore paying interest on a smaller loan), but it could give you access to lower interest rates on your mortgage if you're able to buy your house with a lower Loan to Value (LTV) figure.

Many lenders accept gifted deposits from immediate family members, so it may be worth exploring all your options.

**Average deposit: ££61,090 (UK),
£125,000 (London)⁴**

Insurance

In almost all instances, lenders will require that you have buildings insurance on your property before you exchange contracts. This means that from the second you've exchanged contracts, your property is insured against any freak incidents that damage your property before you've even moved in (fire, earthquake, etc). You should also make sure you have contents insurance in place before you move into your new home. This covers your items if they are damaged "in transit" during the moving process.

Typical costs: £261.62 per year⁵

What is Loan to Value (LTV)?

The LTV is the amount of mortgage you owe against the value of your property, represented as a percentage. The lower the LTV, the more competitive the mortgage deals tend to be, for example, if your property is worth £100,000 and your mortgage loan amount is £75,000, this would represent a 75% LTV and will likely have a lower interest rate than a 95% LTV mortgage.



References

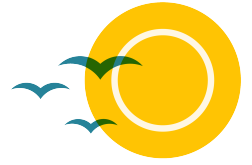
¹Money Helper: moneyhelper.org.uk/en/homes/buying-a-home/estimate-your-overall-buying-and-moving-costs

²Money Supermarket: moneysupermarket.com/mortgages/first-time-buyers/cost-of-buying-your-first-home

³Money Saving Expert: moneysavingexpert.com/mortgages/mortgage-fees-stamp-duty

⁴Halfix Review, 2024: <https://www.ft.com/content/7f464d11-e7b5-4b25-b1d8-74c0bdab0e4e>

⁵Money Supermarket: moneysupermarket.com/home-insurance/price-comparison-index



Countdown Checklist



The big day is coming. But there's still so much to do!

As your home purchase progresses, it can be hard to keep track of where you're up to – and what you still need to do. We've created these handy checklists to help you. Keep calm and carry on.

Not all of the below may not be applicable to you.

One month to go...

- Tell your employer that you might be moving soon and may need some time off. You might not be able to give a precise moving day at this stage, but the advance notice will still be appreciated.
- If you have pets, think about what will happen to them on moving day. Do you need to book them in at the kennels or cattery for a couple of days?
- Start to declutter. Look for things you definitely don't need to take with you and begin a clear-out. This will make it easier – and cheaper – to move whatever is left.
- Buy all your packing materials: you'll need lots of strong boxes, bubble wrap, parcel tape and brown paper.
- Contact removal firms to check their availability and start to get quotes for your move.
- If you're currently in a house that you rent or pay bills, give notice to your utility companies that you will be leaving in a month's time.
- Contact your chosen broadband and television supplier for your new property, as it can often take weeks to get an appointment to get you connected.
- Think about any new furniture you might need for your new property and begin the hunt.
- Arrange contents and building insurance.

One week to go...

- Exchange contracts and confirm the moving date with your solicitor.
- Once you've exchanged contracts and the move is 100% confirmed, if you have a landlord be sure to tell them that you're moving out. You can tell them earlier if you like (this will save you paying rent and mortgage at the same time), but you could risk being left with nowhere to live if your landlord finds new tenants and your house purchase falls through at the last moment.
- Check your home insurance covers your contents while they are in transit.
- If you're renting or pay for a TV licence, give notice of your move to TV Licensing, DVLA, HMRC, your local council (for council tax reasons), banks, building societies, pension providers and credit card accounts.
- Bit by bit, empty the freezer (if applicable). This is the week to live off the food you've been storing in there for months!
- Start packing things you don't use very often and can cope without until you're in your new property.
- Arrange for your post to be redirected from your old property to your new one. Either visit the Post Office or do it online.
- If you have regular deliveries, make sure you cancel any milk or newspaper deliveries you might receive.

Two days before the move...

- If you already have a place, confirm times to drop off keys to your existing place and collect your new keys
- Tell your car insurance and car breakdown providers of your new address.
- Defrost your fridge and freezer.
- If you have a place already, start to gather together any instruction manuals (boiler, alarm, dishwasher, etc) you will be leaving for the next people moving into your current place.
- If you're moving out of a rented accommodation, write a note for the next people moving into your existing place detailing the location of your stopcocks, fuse box, central heating instructions and rubbish collection schedules.
- Make sure all fragile boxes are clearly labelled ahead of moving, even if you aren't using a removals firm.

Moving day...

- If you have a place already, take gas and electric meter readings at both your old property and your new one.
- Leave all window keys labelled and in an easy-to-find place like the kitchen worktop.
- Hoover and clean all surfaces to make sure everything is ready for whoever follows you.
- Move all paperwork and important documents with you personally. Count boxes out of your current house and double-check the same number of boxes arrive at your new place. Numbering each box can help with this.

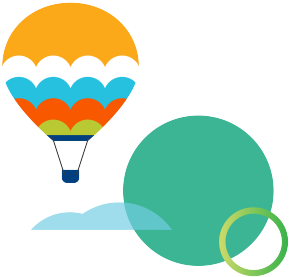
Get a takeaway and collapse in a mixture of exhaustion and excitement. Your new life starts now!

The first week in your new home...

- Register with your new doctor, dentist and optician.
- Update any organisations who need to know your new address such as employer, DVLA, Inland Revenue, Council Tax, banks etc.
- Get your landline telephone connected.
- Say hello to your new neighbours.
- Slowly unpack and get organised in your new surroundings.
- If you've got children, make sure their school or nursery has your new address.



Jargon Buster



Additional borrowing:

This allows you borrow additional funds as part of your mortgage agreement. This is often used for home improvements or renovations.

Annual percentage rate of charge (APRC):

The cost of borrowing the money your mortgage will provide, expressed as a percentage and assuming you take the full term of your mortgage to repay your debt. The APRC includes your interest rate and any other mortgage fees, such as product or application fees.

Arrears:

If you miss a repayment on your mortgage, this means you have gone into arrears or 'defaulted' on your mortgage. This can potentially lead to issues with your credit worthiness in the future. Your home may be repossessed if you do not keep up repayments on your mortgage.

Base rate:

The interest rate the Bank of England charges other lenders, such as Leek Building Society when they lend money. When the base rate changes, it is likely to affect a lender's standard variable rate.

Building insurance:

Insurance designed to cover all rebuilding costs should your home be completely destroyed.

Capital and interest mortgage:

The most common type of mortgage, where each month you pay off the interest on your loan and a small portion of the outstanding capital. As long as all repayments are made in full and on time, the mortgage will be fully repaid at the end of the mortgage term.

Contents insurance:

Insurance that covers your household possessions against a range of potential issues, including fire, theft and accidental damage, depending on the level of cover you choose.

Conveyancer:

A specialist lawyer who works on property sales and purchases. They will handle all legal aspects of your house move.

Decision in Principle:

A Decision in Principle, also known as an Agreement in Principle, is a document from a mortgage lender that gives you an idea of how much you could borrow. It's based on security checks and a soft credit check, and shows estate agents that you're in a good position to buy a property.

Deposit:

The initial payment you make on your house purchase. You will normally need to be able to pay at least 5% of the property's value up front in order to secure a mortgage against the property. The larger your deposit (as a proportion of your purchase price), the cheaper mortgage you are likely to secure. Most lenders will also accept gifted deposits from an immediate family member, so it might be worth checking all your options.

Discount rate mortgage:

A variable rate mortgage linked to the lender's Standard Variable Rate (SVR). When the SVR changes, the rate on your discount mortgage changes proportionately.

Early Repayment Charge (ERC):

If you repay your mortgage earlier than expected (or overpay more than is allowed), you may face an early repayment charge. Early repayment charges tend to reduce over the lifetime of the mortgage product.

Exchanging contracts:

When your solicitor or conveyancer swaps a contract you have signed with a contract signed by the seller of the property you are buying, the agreement becomes legally binding.

Financial Conduct Authority (FCA):

When selecting a mortgage, be sure to select an FCA regulated lender. Leek Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority.

Fixed rate:

A mortgage with a fixed interest rate will maintain the same interest rate for a predetermined number of years, usually two, three or five. During that time, the interest rate you pay will not fluctuate, regardless of what happens with the base rate or your lender's SVR (standard variable rate).

HM Land Registry:

HM Land Registry registers the ownership of land and property in England and Wales. When you buy your property, your conveyancer must register your purchase with HM Land Registry.

Interest-only mortgage:

On an interest-only mortgage, you only pay the interest due against the loan. This makes your monthly repayments lower than a capital and interest repayment mortgage. But at the end of your mortgage, all the capital will still be outstanding. You will need a clear savings and repayment strategy to ensure you have the funds ready to repay the capital at the end of the mortgage term.

Joint borrowers:

Buying with a partner, a friend or a family member.

Loan to Value (LTV):

The amount of mortgage you owe against the value of your property, represented as a percentage. For example, if your property is worth £100,000 and your mortgage loan amount is £75,000, this would represent a loan to value of 75%. Lower loan to value mortgages tend to offer more competitive deals.

Mortgage illustration:

Your Mortgage Illustration, officially known as the European Standard Information Sheet (ESIS), details the mortgage and terms your lender is offering you.

Mortgage product:

Different variations of mortgages to meet the different needs of customers. For example, mortgages with different loan to value amounts, rates that are fixed or discounted or even mortgages with and without fees or cashback.

Mortgage term:

The amount of time it will take, in years and months, to fully repay your mortgage. This can also reference the duration of a specific mortgage product deal.

New-build property:

A new-build property is defined as; a building that has been built in the last 24 months - this includes property bought directly from a builder or developer, a property that has yet to be occupied for the first time and/or a property that is yet to be occupied in its current form, for example following a renovation or conversion.

A new-build property should always have a warranty from a reputable provider like NHBC or a similar scheme.

Porting:

Porting means you can move your mortgage deal from one property to another - for example, if you wish to move to a new property

but would prefer to keep your existing mortgage deal. Sometimes it's possible to change the amount you are borrowing when moving home - either borrowing more if you think you may need funds for some home improvements (additional borrowing), or borrowing a bit less if you are downsizing.

Switching:

When you agree to a new mortgage deal with the same lender, for example, when your fixed rate mortgage deal ends you may wish to switch to a different deal available to you.

Solicitor:

Like a conveyancer, a solicitor can handle all the legal elements of your property purchase. However, a solicitor may also work on other types of legal work, whereas a conveyancer specialises only in property sales and purchases.

Stamp Duty:

Stamp Duty Land Tax (SDLT), to give it its full title, is a tax paid on property or land purchases over a certain price in England and Northern Ireland. The current SDLT threshold is £125,000 for residential properties and £150,000 for non-residential land and properties.

There are different rules if you're buying your first home. For purchase prices below £300,000 there is no Stamp Duty for first time buyers. For properties between £300,000 - £500,000, first time buyers pay a reduced amount.

Standard Variable Rate (SVR):

A standard variable rate (SVR) is a type of interest rate that varies, most often when the Bank of England's base rate changes. Each lender sets its own SVR and it is applied to mortgages after they complete any fixed-rate or discount periods.

Survey:

A house survey assesses the property you are buying. Depending on the level of survey you request, different levels of detail are provided in your survey report. Surveys generally include information on risks, defects and legal issues surrounding your potential property.

Valuation:

When you have completed your initial mortgage application, your lender will arrange to have the property you wish to buy independently valued. This valuation ensures that the property provides the lender with enough security against the loan it offers you. It means, for example, that if the lender has to repossess the property, it can recoup its mortgage loan through the sale of the property.

**THE MORTGAGED PROPERTY (WHICH COULD BE YOUR HOME)
MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS
ON YOUR MORTGAGE.**

If you would like this in a different format, such as braille, large print or audio, please contact us.

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Branches throughout Staffordshire, Cheshire, Shropshire and Derbyshire

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Residential mortgages are not available to persons under 18, Buy To Let mortgages are not available to persons under 21 and both are subject to status.

Mortgage products are only available for properties in England (including Isle of Wight) and Wales and borrowers must also be UK residents.

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