



# homeline

Your Mortgage & Protection Specialists

## First Time Buyer Guide



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## Fact Find

When you first meet your mortgage adviser, they will complete what is known as a fact find. This is a whole series of questions about you, where you live, who you live with, where you work, how much you earn and details of any credit commitments you already have.

## Sourcing and Affordability

The adviser will be able to give you an idea of how much you can borrow based on the information you have supplied in the fact find and by using our mortgage sourcing tools. This figure would be subject to a credit check.

Your mortgage adviser will also complete an affordability check with the most suitable lender for you. This is the process of completing a very basic online form, showing your age, salary / income and outgoings. The mortgage lenders online calculators then deem them mortgage loan affordable or not.

## Decision in Principle (DIP)

Once we have established how much you are able to borrow, the mortgage adviser will complete a Decision in Principle. This provides the lender with much more detail about you and your current situation. If it is agreed, this means that the mortgage lender has approved your loan amount for the term stated subject to you being able to provide documents to support the information given. i.e Payslips, proof of deposit.

## Property Searching

If you haven't found a property yet, now is the time to start looking. The fact that you have a Decision in Principle from a mortgage lender, gives you a more favourable advantage when making offers on properties over someone who hasn't looked into a mortgage yet. We can provide you with a letter that you can show to estate agents confirming that we have completed and had agreed your mortgage loan.

## You've Found a Property

Now it's time for the mortgage adviser to complete the Full Mortgage Application. Provided the basic details haven't changed (loan / term) the mortgage adviser will convert the DIP into a Full Mortgage Application. This simply adds the meat to the bones so to speak and provides the mortgage lender with the full picture. At this stage your mortgage adviser will supply all of the supporting documents to the mortgage lender, these will vary but usually;

- 3 months payslips and P60 or 3 years accounts if you are self employed
- 3 months bank statements, showing the salary credits
- Proof of your deposit (either bank statements or a letter from family member if the deposit is being gifted to you)
- Evidence of your address & identification (usually Passport, Driving Licence & Utility Bill)

## Underwriting

Once the mortgage lender has your application and all the documents they have asked for, they will make an underwriting assessment of your case. This can take up to 1 week.

## Valuation

The Mortgage lender will instruct a surveyor to visit the property, they will complete a valuation and assess if they deem the property to be suitable security for the mortgage lender. The cheapest valuation is a basic mortgage valuation which you should budget for, the cost will depend on the purchase price of the property and the mortgage lender. You are also able to upgrade to what is known as a Homebuyers Valuation Report. This usually costs somewhere between £500-£700 and will provide you with a 20-30 page documents detailing every aspect of the property, including structural and electrical.

## Final Assessment & Offer

It usually takes about 48 hours for the valuation to be received by the mortgage lender at which point the underwriters will check the valuation and provided it stacks up to the purchase price and the valuer has no negative comments, your application will be passed for Formal Offer. This is the document that allows you to officially move to the legal stage of the process. It's worth noting that by now you may well be 4-5 weeks down the line.

Legals, Exchange & Completion Your solicitor or conveyancer will take care of the legal side of things like contractual arrangements, the lender's legal work, legal fees, and local searches. It's worth noting that it can take 6-8 weeks to complete this work and possibly longer if you are buying a flat.

Once all of the above has been satisfied, they will agree a date for exchange of contracts, this is the point at which you have committed your deposit funds to purchase and would subsequently lose them if you pulled out of the purchase.

Completion, usually takes place 5 working days later.

**The Financial Conduct Authority does not regulate conveyancing**

**CONGRATULATIONS YOU ARE NOW A HOMEOWNER**