

Home owners can remortgage their properties for a number of reasons, the primary ones being to obtain a better interest rate, sometimes with an alternative lender to their current one, and to release some equity in their property. If your current mortgage does not suit your changed living arrangements or lifestyle, then this can also be a time to look to change your product.

So if your current fixed term part of your mortgage is about to end with you then going onto the lender's standard variable rate, this could mean that you have an option to explore different and potentially more advantageous deals on the market.

It is recommended that once you have decided that remortgaging your property may be right for you, the first step is to consider a number of things, possibly with the help of a financial advisor:

- How much money are you in a position to borrow now. This may be different from when you originally took out the mortgage with your lender as your circumstances may have changed in the years since then.
- You must also check if there are any costs relating to the repayment of your current mortgage. A lot of mortgages have Early Repayment Charges which become payable if you repay your mortgage in full within a few years of the loan commencing.
- The level of your current mortgage is also important to know, as this will enable you to work out your 'Loan to Value' position. Loan to Value is the amount of your current mortgage set against the value of the property. The lower the loan to value ratio you have, the better deals that are likely to be able to obtain.

Once you have found the lender with the deal that you would like, then you will be asked to provide the lender with identification and financial information, including monthly outgoings so that you can be assessed for the loan.

On completion of this stage, the lender will have a valuation done on the property. This fee may be covered by the lender, or they may ask you to pay for it. It is important to check this.

The next phase is the issuing of the new mortgage offer itself by the lender to you and your nominated solicitor/conveyancer. It can be the case that the lenders will offer you their own 'preferred solicitors', but you do not have to choose their firm, you are able to select any firm that are on the lender's panel. It is important for you to use a firm that you are comfortable with and that you think can give you a good service throughout the transaction.

Your solicitor will be responsible for reporting to you on the new mortgage and detailing the terms of it to you and having you sign a mortgage deed in readiness for the loan proceeding. The lender may require the usual conveyancing searches to be undertaken and if so, this will be an extra cost for you and the remortgage will not be able to be completed until all of the search results are in.

Our research has noted that lenders are indicating that remortgages are taking on average six to eight weeks to be concluded, so if you are looking to release monies from your property for things such as renovations then this timeframe is important to be aware.

When all the required searches are in, the signed documentation has been received and the standard checks and balances have been made, you will be in a position to proceed with the repayment of your current loan (if you are not remortgaging with the same lender) and the taking out of your new loan. The repayment and remortgage will take place on the same day with your solicitor receiving the new loan and repaying the old loan at the same time.

Once this has been done, your solicitor will provide you with the balance of funds due to you and they will then attend to the removal of the previous lender charge and the addition of the new one with the Land Registry.