



Helping you through
the mortgage maze

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Introduction

HOW WE CAN HELP YOU

There are many options available to you when it comes to arranging a mortgage. Whether you're a first time buyer, moving house, purchasing an investment property or re-mortgaging, we understand that finding the most suitable mortgage may seem a confusing and daunting process.

If it was just about the 'cheapest' interest rate then the choice would be easy, but it isn't. Whatever your requirements, our independent mortgage advisers (who we call 'Partners') will give you tailored advice on the most appropriate mortgage for you and your circumstances.

Our mortgage Partners will help to make sure your mortgage is affordable, appropriate and consistent with your overall financial goals and objectives.

WHY IS IT IMPORTANT TO GET MORTGAGE ADVICE?

Your mortgage is probably one of the largest financial commitments you'll make in your lifetime. So, it is essential to research the market or seek advice to make sure your mortgage fits with your requirements. With so many lenders and mortgages to choose from, it's best to help make an informed decision, with the help of one of our mortgage Partners.

There are a number of parties involved in the successful completion of your mortgage and our goal is to make the process as easy for you as possible. On your behalf, we'll use our knowledge of the market and typically work with the lenders, estate agents, solicitors and surveyors to make sure your purchase is completed to your timescales.

We'll help you every step of the way; helping with complicated forms, providing regular updates and answering any of your questions. This, together with our experience and a dedicated point of contact for you throughout the process, aims to make your mortgage journey less stressful and give you the peace of mind that you are securing a mortgage that fits with your financial circumstances and plans.

Working with someone you can trust

To help you on your mortgage journey, we believe it's important to work alongside the right mortgage adviser – somebody who listens, understands and gets to the heart of what matters to you.

Someone who cares about the quality of your experience and the advice you receive, and is focused on helping you achieve your mortgage goals. At Foster Denovo, our experienced mortgage Partners are here to help you throughout your home buying experience.



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We are here to guide and help you every step of the way – making your mortgage journey as easy and simple as possible.

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WE CAN HELP YOU IF YOU ARE:

- a first time buyer;
- considering re-mortgaging your house;
- looking to move house;
- looking to purchase a buy-to-let property;
- looking to purchase a holiday home;
- a contractor or self-employed;
- thinking about releasing equity from your home; or
- looking at Government home ownership schemes including shared ownership.

Understanding your mortgage

When it comes to getting a mortgage, there are many different types of mortgages available to you, and a number of choices to make along the way. We understand that this can seem overwhelming and that's where we can help.

DECISION 1 - DECIDING ON A MORTGAGE



Interest only - with an interest only mortgage, your monthly payments only pay the interest that is due. So, at the end of the agreed period (known as the term), you will still owe the same amount that you originally borrowed and would need to either sell your property to repay the mortgage, or find the money to repay it from another source by that time.

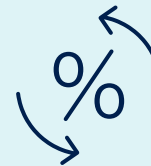


Repayment - with a repayment mortgage, each month you repay some of the interest you owe plus some of the capital you've borrowed, meaning you have to pay off the entire loan at the end of the mortgage term.

DECISION 2 - SELECTING AN INTEREST RATE



Fixed rate - you will pay the same interest rate for the entire mortgage deal period, meaning your monthly payments will not change, regardless of interest rate changes elsewhere. You will not benefit from a decrease in interest rates during your mortgage deal period, but you also won't be affected by an increase in interest rates either. Fixed rate mortgage periods are most commonly 2, 3 and 5 years.



Variable rate - the cost of your repayments will go up and down; largely affected by changes to the UK economy. There are four types of variable rates:

- **Tracker rate** - this rate tracks an economic indicator, which is usually the official borrowing rate - the Bank of England's base rate.
- **Standard variable rate mortgages (SVRs)** - this is a rate offered by a specific lender, which they can adjust when they like.
- **Discount rate mortgages** - these deals offer a discount off a lender's SVR but most discounts on offer tend to last for a short period, typically two or three years.
- **Capped deal** - this is a type of variable rate, with an upper limit, assuring that your repayment rates cannot exceed the capped rate, no matter what the tracker rate rises or falls to.

Your relationship with your Foster Denovo mortgage Partner shouldn't end as soon as you've set up your initial mortgage. There are plenty of occasions where you will benefit from some advice.

Whether you are approaching the end of your current fixed rate period, or on a tracker and concerned about how the Bank of England base rate will affect you if it increases or decreases, our mortgage Partners can explain your options and give their advice, helping to provide you with peace of mind. The majority of lenders will also allow our mortgage Partners to act on your behalf when looking at deals to stay with your current lender, whilst letting you know if you could benefit from switching lenders.

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Whether your circumstances are simple or complex, our experienced mortgage Partners can help you secure a mortgage that will best suit you and your current needs.

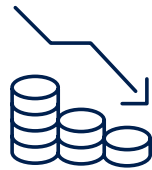
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OTHER MORTGAGE CONSIDERATIONS



Flexible mortgage –

this type of mortgage allows you to over and under pay on your repayments during the term.



Offset mortgage –

this allows you to use your savings to reduce the term of the mortgage or reduce the interest you pay.



Buy-to-let mortgage –

this type of mortgage is for a property you wish to let after purchase. These tend to have higher rates of interest.



Help to Buy Shared Ownership Scheme –

developed by the Government to help first time buyers get on the property ladder. This scheme allows you to own a share of your home (between 25% and 75%), paying rent on the remaining share.



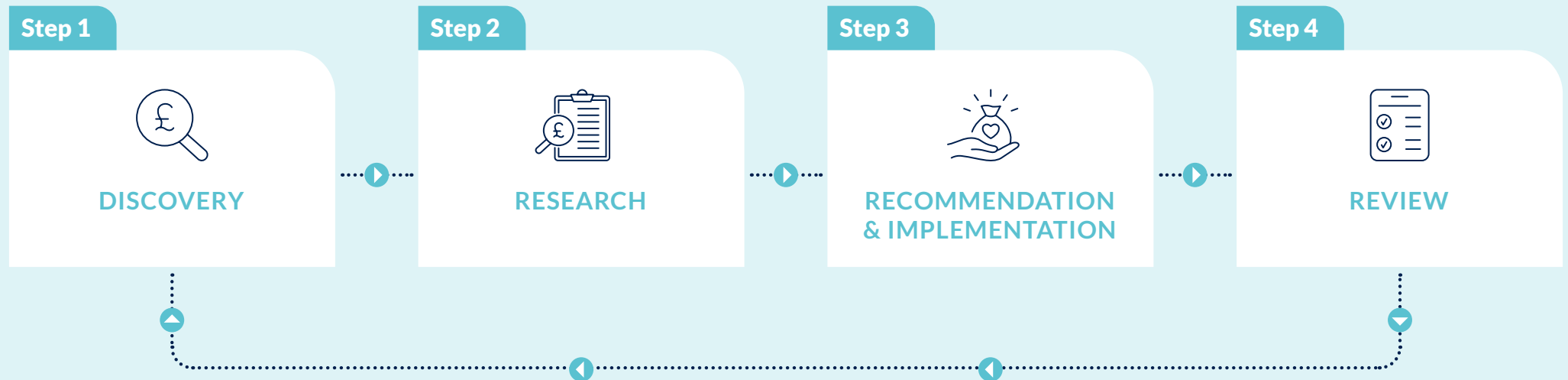
Guarantor mortgage –

with the help of a parent or family member acting as a guarantor, this can help young, or first time buyers join the property ladder. There are various types of guarantor mortgages available.

Understanding your options

Our mortgage Partners follow a four stage advice process, which has been carefully designed to help them understand your requirements and make sure they help secure the most appropriate mortgage for you.

Your mortgage journey with Foster Denovo is made up of four distinct stages.





1

Discovery

We'll ask some simple questions about you and your mortgage requirements, to make sure that you can borrow the amount you require and that we are able to help you. We'll explain our process, our fees and the service you can expect to receive from us.

If you wish to proceed, we'll then find out more about your circumstances, what your mortgage goals are and your current financial situation. We'll need details of your income and monthly expenses to make sure we can find the mortgage that best suits you now, and in the future.





2

Research

Once you're happy with our process, service and fees, we will analyse your financial situation, circumstances and mortgage goals. We'll carry out detailed research using industry recognised mortgage sourcing systems, to help find and secure a mortgage that best suits you and your specific needs.



Our mortgage Partners were excellent in dealing with our specific requirements and keeping us informed at every step of the way.

Mr and Mrs York





3

Recommendation and implementation

When you're happy with our recommendation, we'll guide you through the mortgage application process and through to completion and the purchase of your property.

Mortgage recommendation – you'll receive a mortgage recommendation from your mortgage Partner detailing your recommended mortgage and the reasons why it is suitable for you, together with a mortgage illustration containing everything you need to know about your mortgage. Once agreed, we will search the market for a lender which can offer you the suggested mortgage at the most suitable rates.

Mortgage application – the lender will confirm a 'decision in principle' – in other words, you'll find out if the lender is willing to lend to you, subject to a successful application and if so, the amount of the loan.

Your mortgage Partner will help you complete any paperwork and collect any extra details that may be required. They will submit your application and supporting documents to the lender on your behalf. They will liaise with the lender, dealing with any requests, problems or unforeseen circumstances that may arise.

Valuation – the lender will require a valuation of the property you are purchasing. Your mortgage Partner will keep you informed on when the valuation has been instructed by the lender, the date it is carried out, and the result.

Mortgage offer – following the successful application, references and valuation you will receive a mortgage offer. This is the lender's agreement to lend and is an important stage. Your mortgage Partner will make sure the details are correct and check whether there are any special conditions within your offer.

Legal work – your solicitor will undertake the property searches and carry out the necessary legal checks, to help make sure your best interests are met. They will also agree on a completion date with all parties. Your mortgage Partner will be on hand to answer any queries you may have and to push things along if necessary.

Exchange of contracts – on exchange of contracts, you are legally bound to purchase the property. This is when the deposit is paid. It is essential you have buildings and life insurance in place, in addition to other insurances to protect you and your family.

Protecting you and your family – your mortgage Partner will discuss the policies available to you to make sure that your new home is protected should anything unexpected happen.

Completion – your solicitor will finalise all mortgage arrangements. You are now ready for completion. Once a suitable completion date has been agreed, the funds are transferred, the final legal work concluded, and then your purchase is complete. At this stage you will get the keys to your new home.



4

Review

If you have a specific fixed or discounted rate mortgage, or if your mortgage Partner agrees to contact you at a point in time in the future, they will make contact to see if they can help you again with your mortgage requirements.



We would like to thank all of the team, you went above and beyond to accommodate our needs. We are first time buyers therefore didn't fully understand the process, all queries were answered in a timely manner and explained thoroughly.

Miss Ingram





Typical mortgage costs

LENDER BOOKING FEE

This is a fee for 'booking' your loan while your mortgage application goes through. It can also be known as a 'application' or 'reservation' fee.

LENDER ARRANGEMENT FEE

Some lenders don't charge an arrangement fee. However, some lenders do, it can be paid upfront, on completion, or it may be possible to add it to your mortgage loan.

VALUATION FEE

Some lenders may offer a free valuation, but others can charge, depending on the value of the property. A more detailed survey will cost more.

SEARCHES

You may incur a fee for searches payable to the local council to find out whether there are local or planning issues which may affect your property or its value.

LEGAL COSTS

These are dependent on how complex your transaction is.

MORTGAGE ADVICE FEE

Our fee for mortgage advice and service will depend on the amount you are looking to borrow, your requirements and circumstances. Where your situation is more complex, the fee may be more. Our fees will be disclosed in our initial disclosure document (IDD) which we will provide following an initial conversation. Specific fees will be agreed with you in advance of any chargeable work being conducted.

STAMP DUTY

Stamp Duty Land Tax (SDLT) can cost between 0% and 15%, depending on the purchase price of the property and your status as a buyer. For example if you are buying an additional property or a buy-to-let property, SDLT is anywhere between 3% and 15% of the purchase price.

Stamp Duty

WHAT IS IT?

If you are buying a home in England or Northern Ireland, you will need to pay a tax called, Stamp Duty Land Tax (SDLT). No stamp duty is due if the amount you pay for your main home is under £250,000. For first time buyers, this rises to £425,000.

If you're buying a second home or any additional properties, you will pay stamp duty on a property costing more than £40,000 you will be charged the main residence of stamp duty.

This tax applies to both freehold and leasehold properties – whether you're buying outright or with a mortgage.

If you're buying a property in Scotland, you will pay Land and Buildings Transaction Tax (LBTT) and in Wales Land Transaction Tax (LTT) instead of Stamp Duty and different rates apply.

Purchase price of property	Stamp duty rate	Buy to let/additional home rate
Up to £250,000 (£425,000 for first time buyers)	0%	3%
£250,001 - £925,000	5%	8%
£925,001 - £1.5 million	10%	13%
Over £1.5 million	12%	15%

Example

For example, if you buy a house for £575,000, the stamp duty you owe is calculated as follows:

0% on the first £250,000	= £0
5% on the final £325,000	= £16,250
Total SDLT	= £16,250

REPAYMENT OF HIGHER RATES OF STAMP DUTY

If you buy a new main residence but there's a delay in selling your previous main residence, you'll have to pay the higher stamp duty rates as you'll now own two properties.

However, if you sell or give away your previous main home within 3 years of buying your new home you can apply for a refund of the higher SDLT rate part of your Stamp Duty bill.

You can request a refund (<https://www.gov.uk/government/publications/stamp-duty-land-tax-apply-for-a-refund-of-the-higher-rates-for-additional-properties>) for the amount above the normal stamp duty rates if:

- you sell your previous main residence within three years, and
- you claim the refund within three months of the sale of your previous main residence, or within 12 months of the filing date of your SDLT tax return, whichever comes later.

Exceptional client experience is at the heart of our service

Making sure we consistently deliver high-quality financial advice to our clients is of utmost importance to us.

So, we frequently measure what our clients think of us, the way we work and how valuable our services are to them. It's a step that enables us to offer our services with confidence and make improvements where necessary.

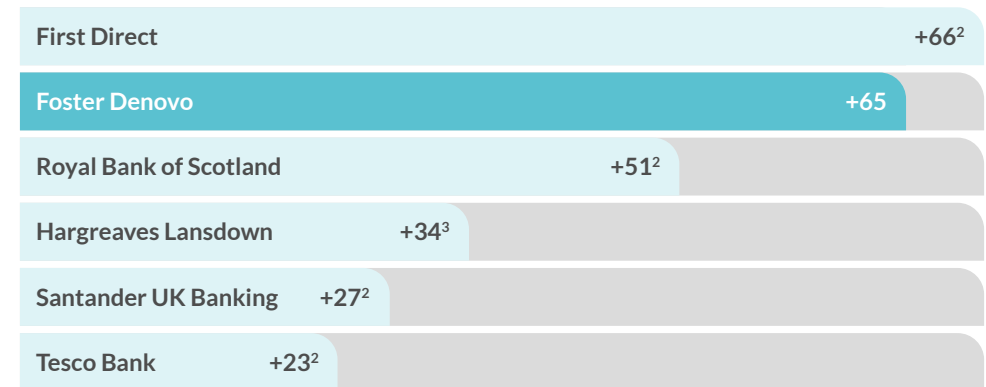
One of the ways we do this is through monitoring our Net Promoter Score (NPS). NPS is an index that's designed to measure the willingness of clients to recommend us. As you've got to feel confident in our services to recommend us to friends and family, it's a good indication of how positive clients are about Foster Denovo. As a benchmark, a score of +50 and above is excellent, and +70 and above is considered exceptional.

We've asked 10,000+ clients; "How likely is it that you would recommend Foster Denovo to a friend or colleague?"

We're thrilled to reveal that our NPS is an impressive +65.

When the average score for the financial services industry is +46¹, our results demonstrate that our client-focused approach works.

Having clients that are happy to recommend us demonstrates our process, financial advisers and outcomes are meeting their expectations. NPSs of other financial service firms highlight where we sit in terms of customer satisfaction in the market:



We also want to make sure our clients can access the financial services they need easily. So, we've asked our clients how easy Foster Denovo was to do business with; 84% responded 'effortless'. Both this and our NPS highlight why forging positive client relationships are so important to us.

¹CustomerGauge's 2018 UK Net Promoter Score Industry Report states that the average NPS score for the financial services industry sits at +46. <https://customergauge.com/benchmarks/blog/financial-services-nps-benchmarks>

²<https://customer.guru/net-promoter-score/industry/financial-services-banking>

³<https://customer.guru/net-promoter-score/hargreaves-lansdown>

About us

We are a multi-award-winning national firm of financial advisers. We provide specialist financial advice, services and investment solutions for individuals and their families, businesses and charities.

We have won more than 20 prestigious industry awards, and we've also been recognised by Investors in People.

INVESTORS IN PEOPLE®
We invest in people Gold



Home reversion plans and lifetime mortgages are complex products. To understand the features and risks, ask for a personalised illustration. Equity release will reduce the value of your estate and may affect your entitlement to means tested benefits.

Your home or property may be repossessed if you do not keep up repayments on your mortgage. The Financial Conduct Authority does not regulate mortgage valuations, legal activities and some aspects of buy to let mortgages. You may have to pay an early repayment charge to your existing lender if you re-mortgage. The total cost of an interest-only mortgage will be higher because you'll be paying interest on the full loan amount throughout the mortgage term.

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Contact us

If you would like to find out how we can help you with your mortgage requirements:

Call: 0330 332 7866

Email: advise-me@fosterdenovo.com

Visit: www.fosterdenovo.com

Calls are charged at your standard landline rate.



Foster Denovo Mortgages & Protection is a trading name of Foster Denovo Limited, which is authorised and regulated by the Financial Conduct Authority. Registered office: Foster Denovo Limited, Ruxley House, 2 Hamm Moor Lane, Addlestone, Surrey, KT15 2SA.

Phone: 01932 870 720

Email: info@fosterdenovo.com

Website: www.fosterdenovo.com