

POST COMPLETION

Further Advances:

Once you've been in your home a few years, you may think about major improvements that you would like to make. Extending your home can be very cost effective, especially if the alternative is moving home, with all the expense and upheaval that it can create. If you need to raise money for home improvements, talk to your mortgage consultant or your existing lender. Adding something to your mortgage – known as a further advance – is likely to be the easiest option. You will probably have to pay for another valuation and a small administration fee, and possibly a new higher lending charge, although sticking to your current lender may save on legal fees.

A second mortgage:

A second mortgage is also a loan that's secured on the property. Often it's taken out for things like home improvements. The big difference is that the lender can only be paid after the first charge or standard security has been settled in full. This means less security for the second lender, so the interest rate on offer may be higher.

Help with repayments:

It's very important not to over commit yourself when you take out a mortgage or any other form of loan. If you find yourself falling behind with mortgage payments, contact your lender straight away.

Remortgaging

These days more and more homeowners change lenders to take advantage of a better mortgage deal. Some lenders even offer to contribute to the costs and you may save more over time with a lower interest rate. You may have to pay an early repayment charge to your current lender if you remortgage, so it's important to check first. Your mortgage consultant will be happy to give details about the different schemes available.

Arrears & repossession:

Lenders will normally try to reach an agreement with borrowers to give them time to clear any missed mortgage payments. Although repossessing property is generally a last resort, your home may be repossessed if you do not keep up repayments on your mortgage. Once your lender knows the facts, they may be able to help you find a way to keep you in your home. Your lender may pass information about mortgage debts to credit reference agencies and to other lenders (through the Council of Mortgage Lenders Possessions Register) if you've:

- Fallen behind with your payments; or
- Not made proposals that are satisfactory to the lender for repaying the debt following a formal demand.

However, your lender must give you at least 28 days notice if they plan to release this information. If the lender sells the property after repossessing it, you will still be responsible for all the amounts including missed payments, interest and the lender's legal fees.