

A Guide to Buying Your First Home

Plan ahead
and avoid
the pitfalls



THE FINANCE ROOME
Mortgages & Insurances

1. SAVE FOR A DEPOSIT

You'll generally need a minimum of 10% of the value of the home you'd like to buy. The bigger the deposit the better choice you'll have of mortgage lenders. If you're a first-time buyer, a Help to Buy or Lifetime ISA could enable you to claim a 25% top-up from the government. There are also some schemes to help, such as Shared Ownership & Help to Buy, and you may only need as little as a 5% deposit.

2. FIND OUT HOW MUCH YOU CAN BORROW

A mortgage is money borrowed from a lender in the form of a loan. The amount you can borrow will depend upon your income, your outgoings and the value of the property you want to buy - although each lender has its own criteria. You then pay back the loan and the interest each month over an agreed period of time. Speak to one of our mortgage advisers who will be able to give you an exact figure.

The money you borrow is secured against the property you're purchasing. This means you may lose your home if you don't keep up the agreed payments.

We can search 1000's of mortgage deals from across 100's of lenders. Whatever your occupation, either employed or self-employed, sole trader, limited company director or a contractor, we find the best rate with the best lender for you.

3. RESEARCH YOUR AREA

It's important to check out certain factors about the area you're thinking of living in. For example, you can compare house prices on websites like rightmove.co.uk and Ofsted ratings for schools in your area via the [government website](#).

4. APPLY FOR A MORTGAGE AGREEMENT IN PRINCIPLE (AIP) WITH US

This is a confirmation from a lender that they have agreed, in principle, to lend you a certain amount. It can

make you a more attractive buyer as it shows the seller you can afford the property and have a mortgage agreed. The AIP doesn't have to come from your own bank or building society. We can work with you to find you the right lender with the best deal and take you through the process.

5. START HOUSE-HUNTING

Register with several estate agents in your chosen area(s) and set up email alerts on online portals such as Rightmove and Zoopla.

6. VIEW PROPERTIES IN PERSON

Don't judge properties on their online listings. It's important to view as many properties as you can to get a good comparison of what's available and help you understand exactly what you need from a home. Our property viewing checklist is a useful guide to take with you on those all-important viewings.

7. FIND A SOLICITOR

You'll need to appoint a conveyancer. We can recommend one to you. The solicitor will carry out all the legalities required, including searches, to ensure there's no reasons why the purchase shouldn't go ahead.

8. PROTECTION INSURANCE

It's important not only to arrange the mortgage but for us to organise your protection insurance, such as income protection (such as income protection and life assurance), making sure you keep your home no matter what happens in your life. We search 100s of products to find you the best product from lots of insurance companies.

9. MAKE AN OFFER

Work out how much to offer based on recent selling prices for similar homes in the same neighbourhood and whether you'll need to carry out any repairs to the property. You make your offer to the estate agent, who will pass it onto the seller. If your first offer is rejected, you may have to negotiate - always keep to your top budget.

10. APPLY FOR A MORTGAGE

Time to speak to us about organising your mortgage. We search 1000's of lenders to find the best deal for you and will walk you through the application process. Your lender will also arrange to have the property valued. If the valuation is satisfactory, they will make you an official mortgage offer once the lender has checked over your supporting documentation which we send on your behalf. We have included a list of the documentation you'll need to provide in this leaflet.

11. GET A PROPERTY SURVEY

If you're buying an older property it may be worth arranging for a more detailed survey than the valuation carried out by the mortgage lender. A RICS accredited surveyor will check for any serious structural problems before you buy the property. If any problems are found, you might want to ask the seller to fix them prior to your purchase or alternatively you could reduce your offer. We can organise this for you, sometimes at the same time as the lender's valuation which can save you money.

12. ARRANGE HOME INSURANCE

You'll need buildings insurance in place from the day you exchange. We can help you with this too. We search our database of insurers to find you the best deal.

13. EXCHANGE CONTRACTS

You pay your deposit to your solicitor. Your solicitor and the seller's solicitor swap contracts. You can't back out without major cost after this point.

14. COMPLETE

Your mortgage and deposit will be transferred to the seller and then you can collect your new house keys from your estate agent and celebrate!

If you're looking for your first mortgage we'd love to hear from you. We search thousands of lenders to find the deal that's right for you. Whatever your situation, we have the experience and the know how to find you a mortgage.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE. An admin fee of up to 1% of the mortgage (typically only £345) may be charged before the mortgage completes. The Finance Roome Ltd is authorised and regulated by The Financial Conduct Authority. The Financial Conduct Authority does not regulate most buy to let mortgages. Registered in England and Wales number 5901651.

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12 Key stages to buying a home



Can I get a mortgage?

1 Speak to The Finance Roome. We'll tell you if you can get a mortgage and how much you can borrow.



2 Find a property you love and agree a price with the seller via the estate agent

The Buyer!

3 We will help you complete your mortgage application and submit both your mortgage and insurance applications on your behalf.



4 The mortgage provider will credit search you and we will have to provide documents to them..

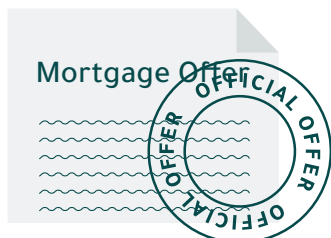


We can recommend a solicitor for you

5 You will need to appoint a solicitor. We can recommend one to you.



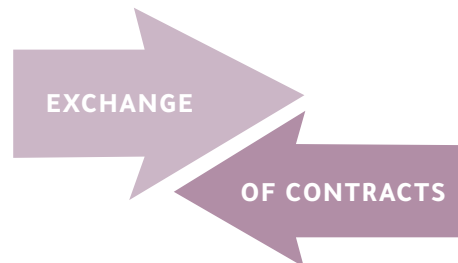
6 Your mortgage provider will have the property valued. You can choose to have a more detailed survey.



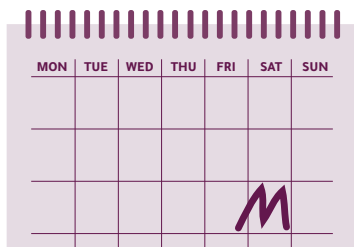
7 If the valuation is satisfactory, you'll receive an official mortgage offer



8 Your solicitor will carry out the legal side of the house purchase.



9 Signed contracts and deposit are exchanged.



10 Agree a move date with the seller - it's called the completion date for when you move in.



11 Finalise your packing and arrange how you'll be moving your belongings.



12 Completion. Congratulations on your new home. Pick up the keys and move in.

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Property-viewing checklist

Check the following things before deciding to make an offer



INSIDE EACH ROOM

- Light switches
- Decor
- Flooring
- Damp/mould/condensation
- Exposed wires
- Cracks in walls/ceiling - big enough to put the edge of a 10p in?
- Power sockets - quantity and location
- Storage
- Fireplaces - do chimneys work?
- Are you very overlooked by neighbouring properties?



WINDOWS AND DOORS

- Do they open and close easily?
- Single/double/triple glazing
- Condition of frames
- Locks

BATHROOM/PLUMBING

- Does the heating system work?
- Do the taps work?
- How long does it take for hot water to come through?
- Water pressure in shower
- Is there a bath?
- Shaver socket

GARDEN

- How much work/maintenance is required?
- Is it overlooked?
- What direction does it face? (South-facing gets the most sun)



EXTERIOR BRICKWORK

- General condition and age
- Condition of any render/specific finish

ROOF

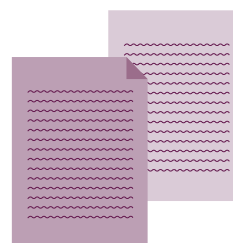
- Tiles
- Are the chimneys straight?
- Drains and gutters
- Fascias (wooden section under roof)

GENERAL

- Parking
- Burglar and fire alarms
- Broadband and TV connections
- Mobile phone coverage
- Boiler position, age and service history
- Scope for extending/renovating/adding value
- Loft access and size; potential for conversion
- When was the consumer unit/fuse box last checked?
- Is it in a conservation area or a listed building? This might affect whether you can make changes

PAPERWORK

- Check the energy performance certificate, which will help you understand how efficient the property is
- If you're buying in Scotland, check the home report
- Planning permission and sign-off documents for any work that's been done



LOCAL AREA

- What's the area like at rush hour, when the pubs close, at weekends and on weekdays?
- Public transport links
- Test the commute/school run during rush hour
- Local shops and amenities



If you're viewing a flat...

- Is it leasehold or freehold? If leasehold, how many years are left on the lease?
- Service charge
- Communal areas
- Outdoor space
- What services, eg drainage, are shared?
- Noise from neighbours
- Is there a residents' committee?
- Will you need to contribute to a sinking fund?

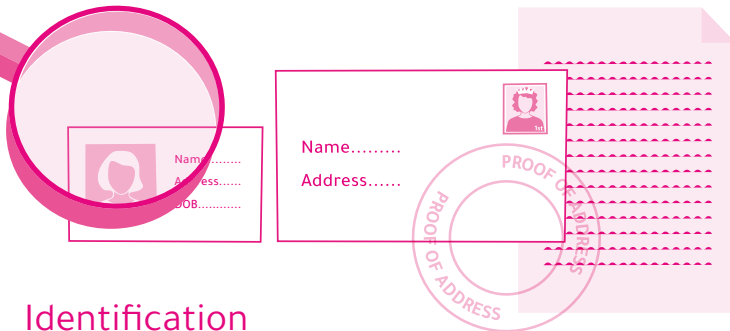
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Mortgage application documentation



Identification

We will ALWAYS need proof of name and address

- PERSONAL ID**
 - A current valid passport OR
 - A current full driving licence.
- CONFIRMATION OF ADDRESS**
 - A bank statement confirming name and current address-as long as it's less than three months old OR
 - A utility bill (not mobile phone) or a credit card statement - confirming name and current address - as long as it's less than three months old OR
 - A council Tax bill (for current or up-coming financial year) confirming name and current address.

Proof of income

- EMPLOYED (NOT INCLUDING AN EMPLOYEE OF YOUR OWN COMPANY)**
 - Latest three months' payslips PLUS
 - Latest three months' consecutive personal bank statements from main bank account showing salary credits
- SELF EMPLOYED - SOLE TRADER**
 - Latest three years' finalised accounts (the latest set of accounts needs to be less than 18 months' old).
- SELF EMPLOYED - COMPANY SHAREHOLDERS**
 - Latest 3 years' HMRC tax assessments (SA302s) OR
 - Submissions made via third party software e.g. accountants, are also acceptable on condition that the Tax Year Overview is provided by the customer confirming your unique Tax Reference number and the figures on the submission.
- LAND & PROPERTY INCOME**
 - Occasionally some lenders will ask for SA100 documents from the Inland Revenue to confirm land and property income.
- CONTRACTORS**
 - Contract(s) to encompass a 12-month period.
 - Latest three months' consecutive payslips

Proof of outgoings

- ALL APPLICANTS**
 - Latest three months' consecutive personal bank statements showing utility bills, mortgage payments, credit commitments.

Evidence of additional income

(all lenders differ on requirements, so this is a guide only).

- BONUS INCOME**
 - Regular bonuses**
 - Monthly - Evidenced by three months' consecutive payslips and most recent P60. If unable to provide P60, or if the income figure on P60 does not correlate to the information on the payslips because of a salary increase, change of job or one-off bonus payment, six months' payslips are required
 - Quarterly - Evidenced by four payslips detailing the most recent bonus payments - one from each quarter
 - Twice a year - four payslips detailing the bonus payments over the latest two years.
 - Annual - two payslips detailing the bonus payments over the latest two years.
- OVERTIME/ COMMISSION/ SHIFT ALLOWANCE**
 - Evidenced by three months' consecutive payslips and most recent P60. If unable to provide P60, or if the income figure on P60 does not correlate to the information on the payslips because of a salary increase, change of job or one-off bonus payment, six months' payslips are required
- 2ND JOBS**
 - Payslips in accordance with the Employed requirements detailed earlier.
- MATERNITY PAY**
 - Most recent three months' bank statements and last three months' payslips, prior to their maternity leave.
Plus, a letter from the applicant confirming they intend to return to work on the same terms or a letter from their employer confirming their new pay details on return to work.
- FOSTER CARER'S INCOME**
 - Two years' proof of income in the form of remittance slips or annual statements plus a letter confirming they are a registered carer
- OTHER BENEFIT INCOME**
 - Up-to-date awards letter
- MAINTENANCE**
 - Six months' bank statements to evidence payments and court approval letter (if paid by court order)

Details of your insurance policies

- SICK PAY**
 - How long do you receive sick pay for from your employer?
- EXISTING POLICIES**
 - A copy of your current life assurance and income protection policies.
- BUILDINGS & CONTENTS INSURANCE**
 - A copy of your current policy and details of any claims and number of no year no claim if applicable.



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How can we help you?

If you'd like to speak to us, call our Cheltenham office today on **01242 226353** or email us: enquiry@thefinanceroome.co.uk to request a call back.

Follow us on social media for news and information: [@thefinanceroome](#) [in](#) [f](#) [🐦](#)

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

Our fees and charges vary depending on the Services we provide to you. We typically charge an admin fee of up to £499 (typically only £345) at the time of applying for the full mortgage application. We will also be paid commission from the lender. The precise amount will depend on the complexity of the work involved and will be discussed and agreed prior to submitting the mortgage application.

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