How Does a Mortgage Broker Work?
A mortgage broker acts as an intermediary who sources mortgage loans on behalf of individuals or businesses. A mortgage broker normally represents numerous lenders and helps the consumer to find the mortgage that best suits their needs, at the best rate available. Remember a broker works for you and not the lender. Some brokers will charge a nominal fee for their service.

How Much Can I Borrow?
This depends on your income, your savings and which lender you go to. It can be based on a multiple of your income (and your partner's income if applicable). However, most lenders base the loan amount on your disposable income. They look to see that your mortgage repayment does not exceed 30-40% of your net income after all other loans are paid each month. For first time buyers, it is very important to shop around to see what is on offer.

Is it Possible to Borrow 100%?
The 100% loan is now only available for professionals from a limited number of lenders and if you plan to live in the property you are buying. It is not available for investors. You can also rent out a spare room under the government 'rent a room' scheme, which will help with your repayments and you'll also qualify for a larger loan amount. All other borrowers are looking minimum 92% borrowings.

How Long Does the Mortgage Process Take?
For normal house purchase mortgages, first time buyers or existing homeowners moving home, the length of the process is determined by the legal process more so than the mortgage process. It would be unusual for the mortgage process to delay matters.
In relation to remortgages or switcher mortgages where there is no house purchase involved, it can take as little as ten days, particularly if title insurance is used instead of a normal solicitor.

What documentation will a lender want to see?
• Salary Certificate (obtainable from MyMortgages.ie or your employer),
• Payslips – 3 most recent
• Most recent P60,
• Loan statements,
• Savings Records,
• Photo ID,
• Utility Bill (for current address) – not more than 3 months old
• Current (or other active) Bank Account Statements – 3 most recent
• Either audited accounts or self certification (if you are self – employed).

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What is "Approval in Principle"?
An approval in principle or 'AIP' is simply an indication of the amount of money that a Bank or Building Society is likely to lend to purchase a home. The approval is based on the information provided by the customer. It is important to note that an 'AIP' is only an indication regarding how much can be borrowed. It is NOT formal mortgage approval. Lenders often require additional information such as proof of earnings before they issue a "letter of offer". This is the formal legal agreement with the Lender.

What is Self-Certification?
There are a lot of benefits of being self-employed and running your own business. However, getting a mortgage isn't always one of them. Lenders like to see documentation that shows a good steady income and a good indication that this income will continue. Self certification

(also know as self certified) mortgages are ideal for applicants whose income is not easily verifiable, or where accounts have not been audited.
If you are self employed, a company director or a contract worker, you may be unable to provide audited trading accounts. As a consequence it can be difficult to secure the mortgage you want.
In short, if you know you can pay a mortgage, but have difficulty proving it in the usual way, we can help. With a self certified mortgage you do not have to provide accounts, payslips or other proof of income, but instead your Accountant simply certifies that you have sufficient income to service the repayments.

What costs can I expect when buying a house?
• Valuation Fee A valuer will assess the value of the property you wish to buy to ensure that it is worth at least its asking price for the purposes of the mortgage. The lender may insist that the valuer is chosen from their own panel of valuers.
• Surveyor's Fee We recommend you arrange a survey to confirm the structural soundness of the property you propose to buy. This will allow you to identify any faults and factor these into your renovation budget.
• Legal Fees You will need a solicitor to make sure that that everything is legally in order for the house-buying process. Solicitor's charges can vary considerably, so it's worth shopping around.

What are the different type of rates?
Variable Interest rate: As the name suggests, a variable interest rate is one that can go up or down during the life of the mortgage. It is determined by the European Central Bank rate (also known as the ECB rate). Any fall in the ECB rate results in lower repayments but an increase means higher repayments.
Tracker Rate: This is a variable interest rate that tracks the European Base Rate* (also known as the ECB rate) with a margin that is fixed for the full term of the loan. The margin is dependant on the amount borrowed and the value of the property to be mortgaged. Any fall in the European Base Rate results in lower repayments but any increase means higher repayments.
Fixed interest rate: This is a rate of interest that is set for an agreed period, e.g. 1/2/4/5/10 years. At the end of this period, the rate converts to a variable interest rate. This type of interest rate means that you know for certain what your repayments will be for the fixed interest period, helping you to plan your finances.

What is the Difference between a "Prime" and a "Sub-Prime" Rate?
A "prime" rate is the standard rate offered to borrowers who have a sound credit history. A "sub-prime" rate is a higher rate offered to borrowers who have had issues with their credit in the past. The rate is higher and this is to allow for the perceived additional risk taken on by the lender.

What is an Interest Only Mortgage?
An interest only mortgage is where you only repay the interest on your mortgage debt each month. Alongside this you will need to put money into a separate investment vehicle which is designed to grow sufficiently to pay off your loan when your mortgage comes to an end. You are responsible for the repayment of the capital when the mortgage reaches the end of its term.

What is "Buy to Let"?
Buy to let deals are mortgages designed for people who want to purchase a property in order to rent it out to tenants. It's becoming an increasingly popular way to invest. Properties provide income for the investor from the tenant's rental payments and growth from any increase in the property's value.

What is a Pension Mortgage?
This is one version of an interest only mortgage. You only make interest repayments but the capital is repaid in part or in full by means of a pensions lump sum payment. This type of

mortgage is more suitable for self-employed people.

What is a remortgage?
A remortgage is a way of releasing equity from your existing home, in order to consolidate loans, to raise money for lots of different reasons (home improvements, buying overseas property, helping the kids with a deposit for their first home...), or simply to swap lenders to get a better (and cheaper) mortgage.

Why you may want to remortgage?
<u>Moving to a cheaper lender</u>: Maybe your lender hasn't offered you a new rate after the end of a fixed rate deal, or maybe their interest rate (usually called the standard variable rate) is too high. You may also be interested in finding a deal that gives you more flexibility, or you may be looking for the stability of a fixed rate
<u>Debt consolidation:</u> The majority of our remortgage clients include some element of debt consolidation in their new facility. Thus the remortgage can accommodate a number of needs including consolidating debt and releasing funds for house improvements or whatever.
<u>Releasing equity to acquire a residential investment property</u>: Increasingly our clients are using equity built up in their own home to move into the investment market.

What is Mortgage Protection and Do I Need It?
With a few exceptions, mortgage protection is compulsory when you take out a mortgage. It is essentially a life cover plan which pays off the mortgage in the event that one of the mortgagees dies during the term of the mortgage. It is also possible to add critical illness cover to the life cover but this is optional. This pays off the loan in the event that one of the mortgagees is diagnosed with one of the specified illnesses listed on the contract.

Must I have Buildings Insurance?
Yes, your lending institution will require that the buildings on which your mortgage is secured must be insured. If you own an apartment your freeholder may have building insurance, which you would need to check.

Mortgage Interest Tax Relief
Mortgage interest tax relief is granted at source i.e. by the lender. TRS (Tax Relief at Source) replaces the system where interest relief was administered through the tax system. The new system means that the borrower's account will be debited with the amount of the full mortgage repayment when due and credited at the same time with the amount of interest relief.

Renting rooms to increase borrowing capacity?
As house prices and mortgage levels have increased, many first time buyers are seeking to add to income by renting out rooms in their newly acquired houses. Most lenders will take the potential for such income into account when assessing borrowing capacity.

Rent a Room Scheme
The Rent a Room scheme was set up to encourage home owners to provide residential accommodation by renting out rooms in their own home. This relief is effective from April 6 2001.
Gross annual rental income of less than €10,000 will be exempt from tax where a room (or rooms) in a person's principal private residence is let as residential accommodation.
Furthermore, availing of this scheme will not adversely effect any of the following entitlements:
stamp duty relief on purchase of principal private residence
principal private residence capital gains tax relief on disposal
mortgage interest relief.

The Role of the Solicitor
Conveyancing is the term used to describe the legal work connected with the purchase or sale of land or property.

Conveyancing involves the practice of transferring rights, interests and liabilities. It arises in the context of the purchase or sale of a property/lands and inevitably requires the appointment of a solicitor by the parties to the transaction.
The duration of the conveyancing process is determined by the individual circumstances pertaining to a particular transaction, though a typical conveyance may take anything from eight to twelve weeks.