

# Five Reasons to Remortgage

There are a number of reasons that people look to remortgage, and these reasons will naturally affect which remortgage deals are appealing to you.

## 1. To Get a Better Rate

If you're thinking about remortgaging to get yourself a better interest rate, an alternative mortgage deal may well have a considerable impact on your outgoings. If you're currently on a fixed rate but the period for this rate is soon ending, it's understandable that you might want to shop around.

Whatever motivation you have for seeking a better rate, you should ensure you take the time to do your sums and calculate what the impact of a new mortgage deal is likely to be. Speak to us to get as close an idea as possible of what your monthly payments will be now and in the long term, bearing in mind future rate changes. Compare this to your current situation and make sure it's worth it before making the change.

You should also bear in mind that your current mortgage lender may enforce fees for paying the mortgage off early, so take this into account in your calculations.

## 2. Debt Consolidation

Debt consolidation is one of the main reasons that people consider remortgaging. If you're a homeowner and have multiple debts that your struggling to keep on top of, it can be tempting to acquire funds using your home as security, to clear these debts. However, you should always think very carefully before securing borrowing with property, as this will naturally be at risk if you fail to meet the repayments.

RISK OF REPOSSESSION There is a risk that your home will be repossessed if you don't keep up your repayments. If your home is repossessed, your lender may look to sell the property quickly and potentially below what you consider to be its true market value. This could cost you any money that you might have made through appreciation in the housing market or improvements you've carried out.



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## 3. Home Improvements

Many people remortgage to gain funds to carry out home improvement work to their property. This is often seen as a sensible option, as any improvements you make to your home may well increase its value in the long term. Spending in this way is therefore an investment in your property as you will likely see a return on it at some future date.

## 4. Changing Financial Situation

Many people, especially in today's troublesome economic climate, find that they're simply unable to keep up with their outgoings for whatever reason. Whether you've had a change in circumstances due to illness, a job loss or personal reasons, you can easily find yourself in a position where your mortgage payments are just not possible.

If this applies to you, you should ideally speak to your current lender, and see if there are any alternative suggestions that they have. Remortgaging is just one of the options that may be available to you.

## 5. Equity Release

If your home has risen in value during the period of your mortgage, you may well want to see the benefit of this value through equity release. Remortgaging is one of the ways you can do this, as it can be built into the terms of the deal, however it basically amounts to further lending on your property, and should therefore not be entered into lightly.

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