

Reasons for a larger mortgage deposit



Have a look at the difference in the mortgage you can get if you can raise a higher deposit.

Raising a deposit

- Work out the maximum deposit you can afford
- Help To Buy ISA?
- Lifetime ISA?
- Other savings?

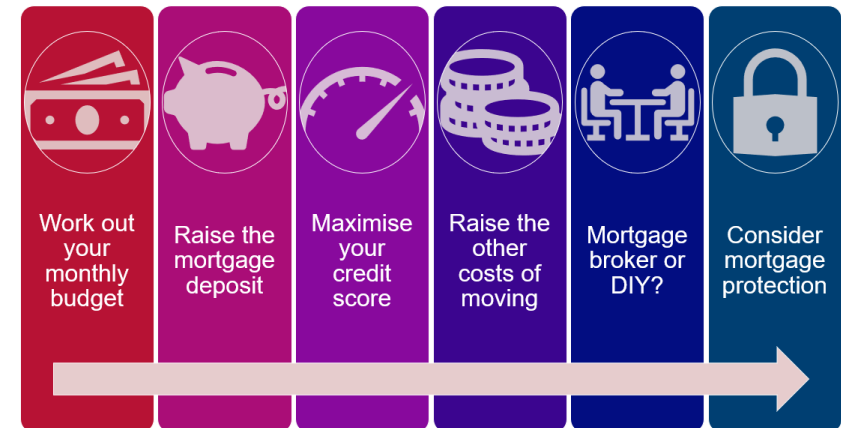


	Help to Buy ISA	Lifetime ISA
Available for new customers?	No	Yes (age 18-39)
Can you pay in?	Yes	Yes
Maximum savings	Up to £200 per month	Up to £4,000 per year to age 50
Government bonus	Yes. 25% up to a maximum bonus of £3,000	Yes. 25% up to a maximum bonus of £1,000 each year
Minimum savings for Government bonus	£1,600	None
Maximum house value	£250,000 (or £450,000 in London)	£450,000

What will help you get the best deal?

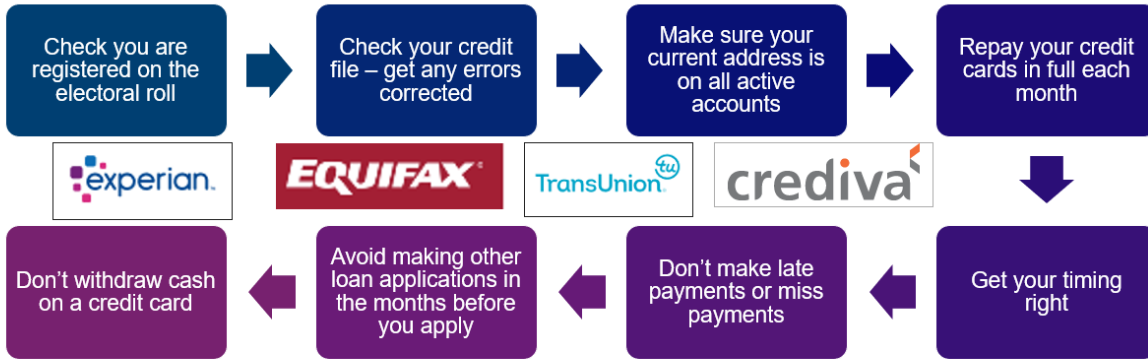
- Larger deposit
- Shorter initial fixed term
- Good credit rating

Before you apply for a mortgage



Increase your chances of getting a mortgage

Increase your credit score



Don't reapply straight after rejection – repeat the steps above.

Mortgage types

- A mortgage has two parts:
 - The **capital** or **mortgage loan** (this is the money you borrowed)
 - The **interest** (charged by your lender until the loan is repaid in full)



Repayment mortgage

- Most popular type
- Monthly repayments
- Until you've repaid the **mortgage loan** and the **interest** in full
- Mortgage loan decreases each month to zero at the end of the term

Interest only mortgage

- You only pay the **interest** on the mortgage loan each month
- At the end of the mortgage term you still owe **all** the mortgage loan
- Need a suitable repayment plan in place to pay off the mortgage loan

Online mortgage budgeting resources



<https://www.moneyadviceservice.org.uk/en/tools/house-buying/mortgage-affordability-calculator>



<https://www.your-move.co.uk/mortgages/calculators/budget-planner>