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SOLICITORS

Fixed rate mortgages - when to start the process

By Phil Robinson, Head of Residential Conveyancing

My current fixed rate mortgage comes to an end in the next 6 months and given the current changes in interest rates I don't know when to start the re-mortgage process. As my conveyancing solicitor can you please advise?

This is an excellent question and give the current interest rate fluctuations, one which we are regularly asked. The first part of the process is to talk to your independent financial advisor or your bank or building society as soon as possible and see what mortgage products are available to you. These organisations are able to look at the financial market and assess your needs and requirements and find an offer which works for you.

As solicitors our work traditionally begins when the offer is available to you or will be issued soon, however we can open a file for you at any point and start our legal process, notwithstanding that the offer is not yet available. We are normally required to review the legal title to your property, to ensure that it is satisfactory security for the lender and potentially request searches, all of which can be put in place before the mortgage offer arrives. If there are problems or question with the legal title, which need to be dealt with, this gives us time to address those issues.

Once a mortgage offer is issued, the "mortgage deal" is normally available for you to accept and complete on, within 3-6 months and as such you have this time to complete the conveyancing procedures and then dovetail the completion date with the end of your current fixed rate mortgage deal.

If within this period, mortgage interest rates change and a better deal is available, you may wish to re-visit your application with the lender or your financial advisor. Until such time as we have completed the re-mortgage process, you are normally at liberty to change the deal, although there may be administration fees to pay.

My financial advisor has told me that I need to ensure that my solicitor is "on the panel" for my chosen mortgage provider. What does this mean and how do I find out?

When a solicitor acts for someone purchasing a property with the aid of mortgage or a client undertaking a re-mortgage, the solicitor will regularly represent both the borrower and the mortgage company in the transaction.

As solicitors, if we act for a particular mortgage company, we must satisfy the requirements of that bank or building society and have proven that as a company we are acceptable to them and are able to comply with their requirements during the transaction. Once we have satisfied those requirements and the lender confirms that they are happy for us to represent them, this is referred to as "joining the panel".

If a firm of solicitors is not on the panel, then the lender will not send to them their instructions to act, and another firm will need to represent the bank, which can add additional time and cost to the transaction.

As solicitors we regularly review and update our panel memberships, and we would be very happy to confirm to a potential client if we are already on the panel for a particular lender. If we are not already a panel firm, we are also very happy to review a lenders criteria and if appropriate apply to join the panel.

