

PRESS RELEASE

TEM-PO.CO.UK URGES BUYERS TO SPRING CLEAN THEIR FINANCES

Lancashire-based online estate agency, tem-po.co.uk, is urging homebuyers to get their finances in order before they start their property search, following the introduction of new mortgage lending rules.

The new requirements brought in by the Financial Conduct Authority (FCA) on 26 April 2014, require mortgage lenders and advisers to ask more searching questions of applicants to ensure they can afford repayments both now and in the future.

Explains Annette Jones managing director at tem-po.co.uk: “With mortgage rates at an all-time low, the FCA is keen to ensure that borrowers will still be able to afford the repayments if their interest rate increases or their circumstances change.

“No-one is expecting mortgage borrowers to have a crystal ball that can see into their financial future but the new rules do mean that your spending habits will be taken into account alongside your earning capacity, earning potential and necessary expenditure.”

The changes mean that lenders, rather than borrowers, will be accountable for ensuring responsible and affordable lending. As a result, thorough documentation and searching questions about regular outgoings including gym memberships and lifestyle spending, nights out and holidays, future plans, career prospects and starting a family, will all be factored in to lending decisions.

“It could make getting a mortgage or borrowing the amount you wanted more difficult,” Annette continues, “so it’s important to prepare for your mortgage interview and application.”

To help buyers, tem-po.co.uk has prepared ten top tips for mortgage borrowers:

1. Spring clean your finances and clear out any direct debits or regular payments for things you don’t use or need.
2. Curb your spending six months before you plan to apply for a mortgage as your statements for this period will be taken as average spending habits.

3. Work out your budget before you start the application process so that you have a realistic idea of how much you can afford to pay in monthly mortgage payments.
4. Think carefully about your search area and property requirements – it may be that even a slightly different location is much more affordable.
5. Create a file with all your bank statements, payslips and any existing mortgage paperwork so that you can send all the supporting documents to the lender at the same time to avoid any unnecessary delays.
6. Look for better deals on regular outgoings such as utilities suppliers or insurance policies.
7. Clear any debts that you can, and if you can't clear them consolidate them to reduce the total repayments.
8. Have a chat with your employer about your career prospects and timing of any salary increases or bonuses and check that they will be willing to support your application to that effect.
9. If you're planning a family, find out what you can expect to pay locally for nursery or child minder fees so that you can factor a realistic sum into your budget.
10. Be realistic and honest – buying a new home often involves some belt tightening but curbing your lifestyle to buy a property that's beyond your means is never a good idea.

ENDS

Notes to editors:

Established in 2005, tem-po.co.uk is a leading online estate agent that combines the local service of a high street estate agency with excellent value for money through fixed-fee packages. Offering a more convenient, lower cost approach to selling or letting properties, tem-po.co.uk puts the property owner in control of marketing their property.

With a head office in Freckleton, Lancashire, the online estate agency has ambitious growth plans to develop its presence across the North West and beyond. In February 2014 the company appointed former BBC Apprentice candidate, Neil Clough, as non-executive sales director to assist with sales and growth strategy.

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