



Myth busting: Remortgaging

A remortgage is the act of switching your existing mortgage to a new deal, either with your existing lender or a new provider, you don't need to move house and the new mortgage is still secured against the same property.

There are a whole host of reasons for remortgaging your property, from raising money for home improvements to saving on your monthly mortgage repayments.

But, new research from Moneysupermarket has found that many of us may have misconceptions about remortgaging.

The findings showed that almost a half of home owners believe that the word "remortgaging" has negative connotations, and a substantial three in five borrowers are unsure what remortgaging actually means.

Furthermore, a surprising one fifth of homeowners have said they would feel embarrassed to admit to having remortgaged their property.

The reason for the embarrassment may lie in the fact that 23 per cent of borrowers believe you would only remortgage to draw out extra money from your home, while 8 per cent believe you would have to be in a "desperate" situation to do so. But, this is not the case.

57 per cent of those surveyed thought they'd remortgaged their property – among this group, only 9 per cent did so to release more money, and a large portion did

so to get a better rate. According to the FCA, 800,000 borrowers could make average savings of £1,000 by switching their mortgage.

Remortgages are actually on the rise too, they were up 23 per cent year on year in September according to UK Finance and with historically low rates, now could be a great time to consider your options.

If you're currently on your lender's Standard Variable Rate or your fixed rate mortgage is about to end, remortgaging could be a great opportunity for you to save on your monthly repayments. Seeking professional advice could also prove invaluable as an adviser will be able to find the deal that's right for you and your personal circumstances.

Remember, remortgaging isn't negative and could potentially save you money on your monthly mortgage repayments.



If you'd like to consider your options, potentially release money from your home, or see if you can save on mortgage repayments then contact your adviser today.