



# Re-mortgaging and further borrowing





# Your guide to re-mortgaging and further borrowing

It couldn't be easier to re-mortgage, or further borrow, but we'll usually need to be involved. We have a financial interest in your home and must make sure this is protected under your new mortgage.

As long as your lender is a Qualifying Lending Institution, we can consider your application. If you're borrowing equal to or less than your original mortgage, we will need to approve the re-mortgage.

But if you want to borrow more than your original mortgage amount, this is classed as further borrowing and will need to be assessed.

If your home has decreased in value, we'll need to look into the new amount to be borrowed.

Homes England, who regulate the financial affairs of registered providers such as Abri, will only allow customers to further borrow:

- to pay for repairs or complete home improvements to your home
- to buy a partner out in a transfer of equity.
- to allow for staircasing





## So, what's the difference?

Re-mortgaging is simply moving your existing mortgage to a new lender. For example, to get a better interest rate. We consider any amount below your original mortgage to be re-mortgaging. Anything more than this is called further borrowing.

## How do I re-mortgage?

Complete an application form along with your certified ID(s), your current mortgage redemption statement, your new mortgage offer and the processing fee (please see the fee schedule for current fees). Please note, the mortgage must reflect the owners' details of the property.

Once we've received your application form and other paperwork, we'll review it and assess whether further borrowing is needed. If there's no further borrowing, we'll review the mortgage offer, checking that it meets the criteria.

If the offer is approved, we'll complete the paperwork to satisfy the lender and return this to your Solicitor. On completion, your Solicitor will arrange for release of funds.

## How do I further borrow?

Complete and return an application form along with your certified ID(s), your current mortgage redemption statement, your new mortgage offer and the processing fee. Please note, the mortgage must reflect the owners' details of the property.

Once we've received your application form and other paperwork, we'll review it and assess whether further borrowing is needed. If you need to further borrow for repairs or improvements, you'll need to provide evidence of this. If you're further borrowing, a RICS valuation will need to be carried out. We'll then work out the maximum further borrowing allowed and assess the reasons for this. If your further borrowing meets the criteria, initial approval will be provided

If the offer is approved, we'll complete the paperwork to satisfy the lender and return this to your Solicitor. On completion, your Solicitor will arrange for release of funds.

## Important things to remember

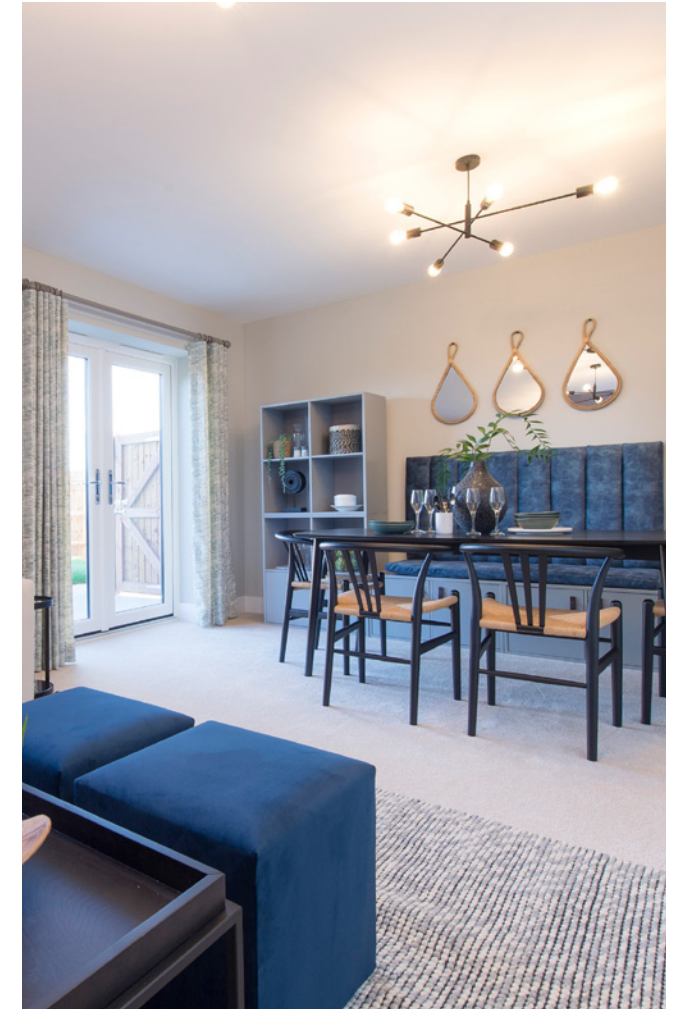
If you are further borrowing, you can only borrow up to 95% of your total ownership. For example:

- current full market value of your home: £200,000
- Equity loan: 20%
- amount you own: 80%
- further borrowing limit:
  - 80% of £200,000 = £160,000
  - 95% of £160,000 = £152,000
- maximum mortgage available to you: £152,000.

You'll need a RICS valuation report if you're hoping to further borrow. This can be provided by your bank or lender, as long as a copy of the report is shared and contains all the information we need. If they don't share this with us, you'll need to arrange your own report. The report must contain:

- Surveyor's name and surveying firm
- signature or signature number of the Surveyor
- Surveyor's RICS/FRICS registration number
- buildings Insurance rebuild value
- open market value of the property.
- three comparable sales as evidence.

There'll be a fee to pay before your application is approved. You can do this over the phone. You'll need to factor in any fees associated with your re-mortgage. This includes legal fees, mortgage arrangement fees and the processing fee.



## Get in touch

0800 145 6663

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Correct at time of creation - January 2022

