

# trying to borrow more mon



With so many homeowners opting to let their homes because they can't find a buyer residential letting departments are at full stretch, Iver agents Frank Farr opened a new office in Beaconsfield at the end of last year and have since taken on more staff. The new management team pictured with area letting manager Phillip Suter are, left to right Angela Davies, Judith Best, Sally Erlick, Carolyn Hoare and Frank Farr.

EVEN though house prices are down and sales have fallen, the average amount borrowed from building societies — as the latest results from the Wycombe branch of the Halifax show — is on the increase.

Homeowners are going back to lenders for a re-mortgage.

Sometimes it's to ease the crippling repayments on a mortgage negotiated before interest rates rose to an all-time high, sometimes it's to finance home improvements and sometimes it's to gather up all the debts in one package, have a holiday or buy a car.

David Allman, branch manager of the Alliance and Leicester Building Society in Wycombe is as keen as any to help with a re-mortgage but he urges homeowners to understand the implications.

He explains: "Most people who bought their property some years ago will find that it is now worth more than they paid for it, despite the depressed state of the property market.

"You can benefit from the additional capital tied up in your home by simply re-mortgaging the property.

"There is no restriction on how you spend the cash raised, you can even buy a second home.

"Providing that you have always kept up-to-date with your mortgage repayments, you should have little problem changing to another lender.

"All building societies, banks and mortgage companies are keen to lend, especially to borrowers with a good track record and a reasonable loan to valuation ratio on their property.

"If you have a number of outstanding hire purchase arrangements and credit or charge card bills, a re-mortgage will enable you to pay off the individual debts — many of which might charge a much higher interest rate than the re-mortgage — and cut your monthly outgoings.

"But before deciding, consider what it is going to cost you.

"You may have to pay a redemption penalty to your existing lender and this could range from a nominal administration fee to a hefty three months' interest.

"Arrangement fees may be charged by both the new lender and a broker, if you use an intermediary to arrange your new mortgage.

"You may also have to pay new lender's fees and solicitors' fees although some lenders offer a discount for new borrowers.

"Check that the new mortgage is a worthwhile investment just a short time after you have taken it out.

"If new borrowers are taking short-term interest rate mortgages, existing borrowers may find that their mortgage represents a saving compared to a standard mortgage.

"If you are a low-start mortgage borrower where you may not have a mortgage but the higher rate, the two being standing loans can increase the costs at the end of the period.

"Other schemes for rate mortgage loans.

"A fixed rate mortgage to budget according to repayments of a mortgage is a gamble and the higher still.

"Some experts say that high for another year could begin to fall and if they do significantly of the mainder of the year.

"Foreign currency promoted quite a bit the complexity of the market loans could be contemplated how they work.

"There are a number of factors to consider.

"If you are a joint mortgage you may each have a maximum tax change mortgage allowance same lender. A tax relief on the mortgage advance chase the property.

"Money used for the mortgage.