



The Mortgage Process

I am an Authorised Representative of Openwork which is authorised and regulated by the Financial Conduct Authority. Openwork maintains a panel of 50+ lenders which together can cater for any type of loan or client.

The decision to lend for a purchase is based on an assessment of affordability which requires detailed financial information and inputting the loan, income, and financial commitments into an **affordability calculator**. This will give a guide as to the level of borrowing which is realist based on income, expenditure, and number of dependents. Criteria for a B2L is different because the rent affects affordability. Re mortgaging is usually in circumstances where affordability has been established by maintaining the mortgage over several years. Loans have different purposes and lending criteria varies accordingly. **Income multiples** have been used as a **guide to affordability**; lenders typically lend 4.5x to 5x gross income depending on level of income and a range of other factors.

The mortgage process begins with a discussion to ascertain objectives and complete a detailed Fact find which record details about the client, existing properties, loans, credit cards, purpose of the loan, income, dependents, and financial commitments.

Mortgage research is then undertaken to produce a shortlist of lenders to present to the client followed by checking the criteria so that the client qualifies for the selected mortgage. Lenders published criteria is not comprehensive and lenders have different priorities. The broker will contact the Business Development Manager as a final check to confirm that the lender is likely to accept the client for the loan. The broker will finally make a **personal recommendation** to the client with reasons why the recommended mortgage is **suitable**.

If the BDM is happy with the proposition, an application is made for a **decision in principle (DIP)** which is the first stage of a mortgage application and based on the data. If the DIP is positive, the evidence is uploaded including bank statements, salary slips, P60s, SA302s and the **application** is referred to underwriters.

The lender will arrange a survey and the underwriter may request further information. The loan can even at this stage may be declined or adjusted if the property value is not confirmed by the surveyor.



Peter Whimster CeMAP