

Residential Mortgage

Cost & Budgeting

Budget for cost, incomes & expenditures.

Summary of costs

	£
Selling your home?	
Estate agent's fee	
Repaying a mortgage?	
Outstanding mortgage amount	
Fees to repay your mortgage	
Early-repayment charges	
Buying a new home?	
House purchase price	
Stamp duty land tax	
Survey fee	
Fees for new mortgage	
Solicitors' and other legal fees	
Lender's arrangement fee	
Valuation fee	
Higher lending charge	
Mortgage broker fee	
Other mortgage related fees	
Other fees (eg. removal costs)	
Furniture & decoration	
Total Costs	
Fund from selling property	
Cash in hand	
Total amount needed	

Income and expenditure

	£
Net regular monthly income (applicant 1)	
Net regular monthly income (applicant 2)	
Net other income (applicant 1)	
Net other income (applicant 2)	
Total net monthly income	
Utilities (gas, electricity, telephone, council tax etc.)	
Food	
Car	
Social	
Committed outgoings (personal loan, hire purchase...)(applicant 1)	
Committed outgoings (personal loan, hire purchase...)(applicant 2)	
Mortgage or rent	
Building & content insurance	
Mortgage related insurance	
Other	
Total monthly expenditure	
Total monthly disposable income	

What fees you might have to pay?

All mortgage-related fees will be set out in Section 8 of the Keyfacts Illustration. They may include any of the followings:

Fee or charge	What for?	How much?
Mortgage broker fee	For arranging the mortgage or providing you with advice.	Depends on the broker. They also get some commission from the lender.
Lender arrangement fee or booking fee	A commitment or administration fee usually payable to the lender to reserve the mortgage funds.	Varies but typically £500 – £2,000. For sub-prime or buy to let case, fee may above 1% of loan amount.
Valuation fee	To assess that the property is appropriate security for the mortgage.	Depends on the lender and the value of the property. The higher the value of the property, the higher of the valuation fee.
Higher lending charge	To get insurance cover in case you don't pay the mortgage, and they repossess your home and have to sell it at a loss.	Depends on how much you borrow and the size of your deposit. Many lenders have already abandoned such charge or only apply the charge to some high risk schemes.
Fee to insure your own property	Administration charge for building insurance.	.Many lenders have already abandoned such charge. If apply: Typically £30-50.
Telegraphic transfer	For the solicitor if you've arranged to transfer the mortgage.	Typically £40-50.
Re-inspection fee	If the lender needs to re-inspect the property after the original valuation, usually to check if you've made agreed repairs.	Typically £50-150.
Early repayment charge	If you repay your mortgage early.	Depends on the terms and conditions of your mortgage and the size of your loan. Beware of heavy penalty and extended tie-in period.
Fees to repay the mortgage	For the lender whenever you repay your mortgage.	Typically £100-300 – as well as any early repayment charge.

Other fees you may have to pay – not in the Keyfacts illustration:

Fee or charge	What for?	How much?												
Estate agency fee	Marketing and selling your home.	Typically 1-2% (+ vat) of the selling price; ask for a quote.												
Stamp duty land tax*	Tax payable to the government when buying.	<table> <tr> <td>Purchase price of property</td> <td>rate of SDLT</td> </tr> <tr> <td>Up to £125,000</td> <td>0%</td> </tr> <tr> <td>Over £125,000 to £250,000</td> <td>2%</td> </tr> <tr> <td>Over 250,000 to £925,000</td> <td>5%</td> </tr> <tr> <td>Over £925,000 to £1.5 million</td> <td>10%</td> </tr> <tr> <td>Over £1.5 million</td> <td>12%</td> </tr> </table> <p>After 5/4/2016, 2nd property or buy to let property add 3%. Check https://www.gov.uk/stamp-duty-land-tax for update</p>	Purchase price of property	rate of SDLT	Up to £125,000	0%	Over £125,000 to £250,000	2%	Over 250,000 to £925,000	5%	Over £925,000 to £1.5 million	10%	Over £1.5 million	12%
Purchase price of property	rate of SDLT													
Up to £125,000	0%													
Over £125,000 to £250,000	2%													
Over 250,000 to £925,000	5%													
Over £925,000 to £1.5 million	10%													
Over £1.5 million	12%													
Legal fees	For the solicitor for searches, land registry etc.	Budget for at least £600 - £2,000 (+ vat) – ask for a quote.												
Survey fee	To the survey if you want a more detailed report on the property.	Varies according to the survey and the type of report – ask for a quote.												

* Example: A first time buyer exchanges contracts for the purchase of a house for £275,000 on 30 March 2016, with completion expected in 30 April 2016. Under the new rules the SDLT is calculated as follows:

on the first	£125,000 x 0% = £ 0
on the next	£125,000 x 2% = £2,500
on the final	<u>£ 25,000</u> x 5% = <u>£1,250</u>
	£275,000 = £3,750 (Total SDLT payable)