PMS MORTGAGES · FREE GUIDE

The First-Time Buyer Guide

Everything you need to go from saving a deposit to collecting your keys, in seven clear steps, with a checklist for each one.

1 Work out your budget

Start with what you can comfortably afford each month, not just the largest loan a lender might offer. Remember the costs of buying as well as the deposit.

- Use our borrowing calculator for a first estimate
- Add up your regular monthly spending and commitments
- Budget for stamp duty (first-time buyers pay none up to £300,000 in England and Northern Ireland)
- Allow for legal fees, a survey, moving costs and furnishing

2 Save your deposit

Most lenders need a deposit of at least 5% of the price. A larger deposit can mean more lenders and lower rates.

- Decide on a target deposit and a date to reach it
- Keep savings in an account you can show statements for
- If family are helping, a gifted deposit letter will be needed
- Ask us about schemes and lenders for low-deposit buyers

3 Get your paperwork ready

Having documents ready keeps your application moving once you find a home.

- Photo ID and proof of address
- Your last three months' payslips, or two to three years' accounts or SA302s if self-employed
- Your last three months' bank statements
- Proof of where your deposit has come from

4 Check your credit file

Lenders look at your credit history, so check it early and fix anything that is wrong before you apply.

- Check your report with the main credit reference agencies
- Register on the electoral roll at your current address
- Avoid new credit applications in the months before you apply
- Keep up all existing payments on time

5 Get an agreement in principle

An agreement in principle shows estate agents and sellers that a lender is likely to lend you a certain amount.

- Speak to a mortgage broker before you start viewing
- Get an agreement in principle from a suitable lender
- Keep it to hand when you make an offer

6 Find a home and make an offer

Once your offer is accepted, your broker submits the full mortgage application.

- Instruct a conveyancing solicitor
- Choose a survey suited to the property
- Send your documents to your broker promptly
- Think about life insurance and other protection for your new home

7 Mortgage offer to completion

After the lender's valuation and checks, you receive a mortgage offer. Your solicitor then handles exchange and completion.

- Read your mortgage offer carefully and ask about anything unclear
- Arrange buildings insurance from exchange of contracts
- Transfer your deposit and costs to your solicitor before completion
- Collect your keys on completion day

Talk it through for free

Book a free, no-obligation consultation with PMS Mortgages at Airport House in Croydon, by phone or on Zoom. Call 020 8668 6080, email hello@pmsmortgages.com or visit pmsmortgages.com.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.

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