



# Second Charge Mortgages

## The Perfect Remortgage Or Further Advance Alternative

A second charge mortgage is a loan which is secured against a client's residential or commercial property, when the client already has an existing first charge mortgage in place. A second charge mortgage allows the client to raise finance without disturbing their first charge mortgage or interest only residential mortgage.

Following the introduction of the Mortgage Credit Directive on the 21st March 2016, second charge mortgages were brought under the same regulatory regime as first charge mortgages. This means that for an Advisor to provide a Holistic Service, they should ensure that second charge mortgages are always considered when exploring remortgage products for a client, to guarantee the most economical solution is provided.

## Common Uses

- Clients who are looking for an alternative to a remortgage due to their first charge rate being low or interest only
- Self-employed clients who have a limited trading history
- Clients who want to avoid early repayment charges
- Clients who have accumulated adverse credit since they took out their first charge mortgage
- Clients who are looking to consolidate debt, either personal or from a business
- Clients who wish to take out the loan over a shorter term than their current mortgage

## Key Criteria

- LTVs up to 95%
- Adverse >12 months ignored
- No lender fee on selected products
- IVAs, DMPs, bankruptcies, CCJs and defaults accepted
- Up to 6 x income multiples
- Unusual constructions
- Non-owner occupier for buy to let
- Self-employed clients with only 6 months trading history
- £3K - £2.5M+
- No early repayment charges
- Maximum age 80 years on completion
- Buy to let and business loans
- Lending available in single applicant's name

## Lender Panel



For further information contact our Broker Support Team:



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