

Welcome

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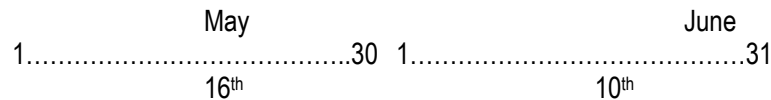
Guide to Your First Monthly Payment

When you have taken out a mortgage for the first time or have changed lenders, this quick guide explains how your first payment will be calculated in theory – although you will receive exact confirmation through from your new lender within 2 weeks of the mortgage completing.

This is best explained by way of an example :

Date Mortgage Completed 16th May

Normal Monthly Payment Date 10th of each month



(Ignore this first section if you are a first time buyer.)

You will have paid your normal monthly payment on 10th May but this payment covers the whole of May – it is not from 10th May to 10th June it is from 1st May to 30th May.

Therefore as your mortgage completed on 16th May, you have overpaid as you should only have been charged for 16 days and you have paid for 30 days. Your redemption figure on your current mortgage will thus be lower and you will receive the overpayment back from your current lender.

This now applies to everybody !

Your first payment to your new lender is due on 10th June. Your normal monthly payment will cover the whole of the month of June.

However, the new mortgage started on 16th May and you will need to pay for the 14 days from 16th May to 30th May in addition to your normal monthly payment.

So your first payment on 10th June will consist of your normal expected monthly payment PLUS interest accrued from 16th May to 30th May.

This same theory applies even if the old mortgage was paid off on the 28th May. You would then need to pay with your first payment the 2 days of May plus your normal monthly payment.

So as a general rule, the later you complete in a month = the less you will get back from your current mortgage and the lower the first monthly payment to the new lender will be.

Your home may be repossessed if you do not keep up repayments on your mortgage

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