

Frequently Asked Questions Concerning Overseas Mortgages

Can I rent the property?

Most lenders we work with do allow the rental of a property they are mortgaging. Certain conditions may apply and can vary by lender

How long will I have to wait to find out how much I can borrow?

Our Mortgage providers offers a free 'decision in principle' service, where you can find out how much of a mortgage is generally available to you. This service can be accessed via the website, by filling in the contact request form for the respective country, and takes no more than a few days

Are there ways I can use my UK property to fund the purchase?

Our providers believe there are significant benefits in having a mortgage through a lender based in that country. However we often have clients who reduce the size of their required mortgage by putting down a larger deposit. This can be facilitated by using the UK property to raise money against we can certainly assist you with this and can find more details on the Wealth management page of our website

How long does it take to arrange a mortgage?

This can vary significantly by country and mortgage lender but broadly we are able to process the application within a week, subject to the applicant being able to provide all the details we need. It is then submitted to the lender for approval

What are the advantages in taking out an overseas mortgage as against raising equity on a property in the UK?

The main advantage of taking out an overseas mortgage is the lender will carry out checks on the property such as an independent valuation. The lender will also ensure clients have clear title and the property is registered in the clients' name upon completion.

Raising equity on a property in the UK may seem straightforward but buying an overseas property in 'cash' could present problems for the buyer if they do not ensure independent checks are carried out on the property. Sadly, all too often we hear of cash buyers where the heart rules the head and basic checks are overlooked, leaving them with a raft of problems such as boundary and title issues. Some may have bought a place in the sun but have had their fingers well and truly burned during the process.

Is it better to buy in the local currency or in Sterling?

Generally it's recommended to take out a mortgage in the same currency as you earn where available. However, if the intention is to rent out the property it may be beneficial to take out a mortgage in the local currency to avoid currency fluctuation costs.

What additional costs above the purchase price should I allow for?

This does depend on the country however it's usually best practice to allow for additional costs such as Legal fees, local or government purchase taxes, arrangement fees, surveyors costs, title searches and deed amendments etc. We generally suggest our clients allow an additional 10-15% on top of the purchase price to allow for these 'extras'

How will I know how my mortgage is progressing?

A dedicated adviser will handle your mortgage application and will provide regular updates. You can also track the progress of your mortgage online at your own convenience.

What type of Mortgages are available?

Fixed: Keep your monthly payments the same with our Fixed rate mortgage. You'll have the comfort of knowing how much your repayments will be for the life of the loan, and you won't be affected by interest rate rises. The term loan can be from 5 to 35 years.

Variable: This mortgage offers a discounted rate that is fixed for the first year. Each year your interest rate and monthly payments will be recalculated based on the 12 month Euribor rate plus the agreed margin. This rate will be fixed for the next year. This process will be repeated on an annual basis.

Interest Only: You can have an Interest Only mortgage, for up to 20 years, for purchases only. Your mortgage will need to be repaid in full after this period. A valuation will be required for all applications.