

Patrick James Solutions

Step One – Obtaining a Decision in Principle

Once you have had the initial chat with the adviser and accepted the advice, we obtain a decision in principle for you. This is the first stage of the process and gives you an indication of whether the mortgage lender will lend to you in principle. They normally have 3 different decisions: Accept, Refer or Decline.

Accept is what it says on the tin, they have approved your mortgage in principle subject to required checks, docs and valuation being satisfactory.

Refer is neither a yes or a no... this decision normally means the lender wants to look at your application in principle in a bit more detail, it might be that they like to 'manually underwrite' all their cases, or your case may fall just outside of their normal lending policy, but could well look at making an exception if your case is strong. However, they could also decline the case if they feel it falls too much outside of their lending policy.

Decline means the lender is not prepared to offer you a mortgage at this time. Whilst no one wishes to receive this decision, it does not automatically mean the end of the line for your mortgage journey. By using Patrick James Solutions, we have the benefit of being Whole of Market, which means we are not limited to just one or two high street lenders, we have access to almost every single mortgage lender out there. So, whilst one lender may so say no, another lender we approach who may be more suitable for your current circumstances, may well say yes. We will always explain to you what will happen next if this is the decision you get.

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Step Two – Full Mortgage Application

Once we have obtained a decision in principle acceptance for you, the next stage of the process is to look at getting the full mortgage application submitted. For us to do this, we will need some supporting documentation from you. These will include 3 months payslips, bank statements, proof of ID, proof of deposit etc. An email with the full list of documents required for your case will be sent to you alongside the decision in principle certificate, which will fully explain exactly what we need. Once all the required documentation has been received, your file then gets checked internally by Laura. She will go through your file to ensure all the information and documents we have in support of your application is satisfactory for our compliance requirements and for the lenders too. Once Laura has 'signed' your file off for full application, it then gets passed to a Paraplanner who will then submit the full mortgage application to the lender and upload the initial documentation that the lender requires to support your application.

Step Three – Mortgage Application Assessment

Once the full mortgage application has been submitted to the lender and the initial documents uploaded, the lender will then start to assess the application. They will look closely at the documents we have uploaded as part of the application to ensure that the information we have supplied on application form matches what the documents say (mainly the salary is correct, and that it gets paid each month in your bank and matches the payslip). Once they have assessed the documents and signed them off, all that is left then is the Valuation of the property.

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Step Four - Valuation

As part of the assessment, they will need to conduct a valuation of your property, to make sure it's worth what you say it is (if re-mortgaging)/buying it for, and that it is a mortgageable property (i.e. not currently falling down). Some lenders will instruct a valuation immediately on submission of a full mortgage application, others assess the documents first before instructing a valuation. If you are re-mortgaging, the mortgage valuation company (varies between each lender) will get in touch with you directly to arrange a valuation appointment. If you are purchasing a property, they will get in touch directly with the Estate Agent/Vendor (if private sale) to arrange the appointment.

Sometimes, depending on Loan to Value limits, lenders will carry out an Automatic Valuation (or desktop valuation). This means the lender does not need to carry out a physical valuation and will not need to get in touch with you. This normally only happens when the Loan to Value is below a certain limit, and the application is a re-mortgage. If you are purchasing, the lender will most likely require a physical valuation to be carried out.

Occasionally, when the valuation has been done, the property may get 'down valued'. What this means is that the valuer does not think the property is worth the value that you say it is (if a re-mortgage) or what it is currently on the market for (if you are buying). This can be a good bartering tool if you are purchasing the property – the valuer will often provide supporting comments as to why he/she does not think the property is worth what it is. When this happens when you are purchasing a property, quite often clients will go back to the estate agents to re-negotiate the purchase price if it is found there are minor defects with the property (which you would be happy to carry out if necessary), however, there is never any guarantee that the seller will budge on the agreed price. This is out of our hands and is for you to discuss directly with the estate agent/vendor. Whilst a down valuation does not mean automatically mean you cannot buy the property, it may be that they will cap how much they will lend to you which means you may need to put in extra deposit, or you could run the risk of being in negative equity should you come to sell in the future, or the property was to be repossessed if you do not keep up with your mortgage repayments.

A down valuation when you are re-mortgaging is never the best news, and it can mean that we may need to borrow less money (if this does not leave you short with repaying an existing mortgage) or we will need to select a different product from the lenders current products if the Loan to Value (LTV) of the original selected product no longer fits the new LTV. We will present you with an alternative product should this happen in your case.

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Step Five – Mortgage Offer

Once the valuation above has come back all fine (or a new product/lower loan amount agreed), the case will then progress to Mortgage Offer. This means that the mortgage lender has formally agreed the mortgage loan to you. This is the part where you and us punch the air with delight, as we have achieved what we set out to do for you – obtain a mortgage offer for you. The next stage is what normally takes the most time in the whole purchasing/re-mortgaging process, the Legals!

Step Six (a) – The Legals & Completion (for Purchases)

Once we have obtained you a mortgage offer as above, the next stage of the process is for the solicitors to begin their work. They will normally raise enquiries with the vendors solicitors and request searches with the Local Authority that you are purchasing in once they have the draft contract from the vendors solicitors. Unfortunately, the time this takes can vary and no case is ever the same. (the time for a re-mortgage to complete is normally much quicker as the solicitors do not need to wait for any other party in terms of exchanging contracts etc). This is out of our hands so whilst we can help and assist where we can, it is down to the solicitors in how quickly they act and how quick they receive the information from the local authority regarding the searches and also the enquiries your solicitor has raised with their solicitors. If there is a chain, this can also add a delay.

Once your solicitor has confirmed they have everything, they will send documents for you to sign and return. When they have these back, they can then start to talk completion dates with the vendor solicitors. Once everyone has confirmed a completion date, your solicitor will ask for the deposit which they need for exchange of contracts. Exchange usually takes place the week before completion. They will also send the Certificate of Title to the mortgage lender for them to release the mortgage funds for completion. The money for the lender usually arrives with the solicitor a day or two before completion.

On the day of completion, your solicitor will send the money to the vendors solicitor and once they have confirmed they have received it, your solicitor will call you to say you can go and collect your keys from the estate agent.

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Step Six (b) – The Legals & Completion (for Re-Mortgages)

Once the valuation above has come back all fine (or a new product/lower loan amount agreed), the case will then progress to Mortgage Offer. This means that the mortgage lender has formally agreed the mortgage loan to you. This is the part where you and us punch the air with delight, as we have achieved what we set out to do for you – obtain a mortgage offer for you. The next stage is what normally takes the most time in the whole purchasing/re-mortgaging process, the Legals!

Step Six (a) – The Legals & Completion (for Purchases)

Once we have obtained a mortgage offer as above, the next stage of the process is for the Solicitors to begin their legal work. The legal work for a re-mortgage is slightly different for a purchase, being that the process is often much more quicker, as there is no chain to worry about, and there are no other solicitors involved in trying to raise enquiries with sellers solicitors as you would have with Purchases.

The solicitor will either send documents in the post for you to sign and send back or email you a link to their portal. These documents usually include a questionnaire and mortgage deed which will need to be signed and witnessed. Once the solicitor is satisfied that all the required checks have come back satisfactory, they will then send the Certificate of Title to the mortgage lender to send the funds to them, so they can then repay your current lender the mortgage monies required to settle your existing mortgage (the solicitors will wait until your Early Repayment Charges expire before completion unless as part of the re-mortgage is to pay these charges to leave your current lender early). Once the funds have been sent and your current lender has confirmed receipt, the mortgage account with your old lender then ceases. Your new mortgage will take effect immediately and the first payment will be taken normally the next month after completion (dependent on the lender – this will be confirmed in your welcome pack)

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And Finally...

That's it! You are then the proud owner of your new home! (if you are purchasing of course!) You will receive a welcome pack from your new lender in the post within the first couple of weeks of completion (for both purchases and re-mortgages) to confirm your mortgage details, how much the first payment will be and what day it will be taken. It is important that you check these documents carefully and if there any queries, they are addressed as quickly as possible.

