



# TOP TIPS FOR THE **6 CRUCIAL MONTHS** BEFORE YOUR MORTGAGE APPLICATION



# THE SIX MONTHS BEFORE YOUR MORTGAGE APPLICATION

In spite of a global pandemic and the cost of property rising sharply since its onset, mortgage drawdowns jumped by 40.9% in the third quarter of 2021 versus the previous year.

While this may be positive news for those beginning the search for their very own home, it doesn't take away from the fact that the road to becoming a homeowner can be a bumpy one. This is largely down to the ins and outs involved with the mortgage process, which can be thwarted by pitfalls and setbacks.

However, while certain aspects are beyond your control, there are ways of ensuring a somewhat smoother ride with a little inside knowledge and a lot of preparation.

Read on to find out how you can set yourself up for success in those crucial six months before applying for a mortgage.

## 1. PERFORM A CREDIT CHECK ON YOURSELF

Before deciding to approve your mortgage application, a lender will first want to view your credit history to ensure you are a safe bet. This information will be made available to them by the Central Credit Register, which will provide them with your credit report containing information about your past or existing loans.

If you're unsure about your current credit status, it's a good idea to do your research ahead of embarking on your mortgage journey. If your report is not in the best shape, you might benefit from delaying your home-buying plans until you get your debts in order. You can request to view your credit report free of charge at any time by applying to the Central Credit Register.

## 2. FIND OUT HOW MUCH YOU WILL BE ELIGIBLE TO BORROW

This is a hugely important initial step to take, as all of your calculations going forward will be based on this figure. You can get an estimate from a lender or an impartial mortgage broker of how much you are likely to be approved for based on your current income (or your combined income in the case of a joint mortgage) and how much you have saved.

Once your 'number' is on the table, you can factor in how much of a deposit you'll need, as well as your monthly repayments, and from there you can work out how long it will take you to get to a position where you are financially ready to apply. Not to mention starting your property hunt!



### 3. PUT THE JOB SEARCH ON HOLD

If you've been considering a change of career or company, it can be beneficial to wait until after your mortgage has been approved, especially if you plan on applying within the next six months.

Many lenders stipulate that applicants should be in their current position of employment for at least six months before their application will be considered. This will increase to at least two years for self-employed individuals.

Every case is different though so make sure to speak to an impartial mortgage advisor about your specific situation.



### 4. SPRING CLEAN YOUR FINANCES

In the six months prior to applying for a mortgage, it's imperative to get your finances in order. This means maintaining regular savings, keeping on top of existing debts in the form of loans and overdrafts, avoiding the temptation to take out a new loan, and ensuring you steer clear of dipping into your savings pot.

It's also important to keep track of your outgoings and expenditure, so be sure to avoid any missed bill payments or questionable purchases, such as subscriptions to gambling websites.

## 5. GET ALL NECESSARY DOCUMENTATION IN ORDER

The documents you will need to provide as part of your mortgage application will likely vary depending on a couple of factors, such as the lender you choose to go with and whether you're self-employed, a first-time buyer or building your own home.

However, the list will generally include:

- 3 months most recent payslips
- Most recent Employment Detail Summary (formerly P60)
- Salary Cert or stamped employment status report
- 6 months current account statements
- 6 months savings account statements
- Credit card statements x 6 months (if applicable)
- Loan statements x 3 to 12 months (if applicable)
- Credit union account x 6 months (if applicable)
- Proof of address
- Scanned form of ID

You can find a more comprehensive list of documentation required for a mortgage on our website.

## 6. BUDGET FOR THOSE 'HIDDEN' EXTRA COSTS

So, your deposit is securely tucked away in your savings account and you're confident in your ability to comfortably make your monthly mortgage repayment once the dotted line is signed. But what about all the extra costs associated with becoming a homeowner?

Many first-time buyers may be surprised to learn that they will need a substantial excess of savings outside of their deposit to cover vital expenses such as solicitors' fees, stamp duty, surveyor costs, mortgage protection, and more.

Work out roughly how much you will need to cover everything and ensure you have this additional capital to hand before going ahead with the application process.





## 7. GET EXPERT MORTGAGE ADVICE

Navigating the mortgage process can be a daunting prospect for first-time buyers. This is why consulting with experts can give you much-needed peace of mind at such an important junction in life.

If you're eager and ready to get started on your mortgage journey but are unsure of where to begin, the team at Symmetry Financial will guide you every step of the way. Providing you with professional, impartial mortgage advice, our team will work with you to secure the right mortgage, from the right lender, with the best rate on the market.

To book your free consultation today, contact us at [info@symmetryfinancial.ie](mailto:info@symmetryfinancial.ie) or on **01 6831673**.

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