

# Remortgaging process



## Overview

A **Remortgage** is a change on the mortgage deal on your property, and it could mean switching to a new deal with a new lender or moving to a different rate with the existing lender.

It can also involve **Further Advance**, also known as **Additional Borrowing**, which can only take place for the following reasons:

- To carry out alterations to the property
- To staircase
- Where a transfer of ownership is required, for example, following a relationship breakdown.

**Under no circumstances are you able to use the funds to consolidate debts.**

Many lenders are asking for an EWS1 certificate before providing a mortgage. We strongly recommend you speak to your lender or mortgage broker before applying to ensure you do not incur any unnecessary valuation or solicitor's costs.

The Remortgage & Further Advance **remortgaging&Fa@lqgroup.org.uk** team administers remortgage applications with or without further advance from:

- Shared owners
- Equity loan customers, and
- Owner occupiers - former RTB/RTA tenants who wish to remortgage and/or apply for further advance within the first 5 years from the date of their purchase under the scheme.

Generally, outright leaseholders do not require L&Q's approval if they wish to remortgage, however, their solicitor is required to serve us with a **Notice of Charge**. Such requests are overseen by the Homeownership Completions Team at **homeownershipteamcompletions@lqgroup.org.uk**.

As the current homeowner, you'll be responsible for covering the **administration costs** and any associated legal fees for processing these requests.

All arrears on the account must be cleared before the transaction completes.

## Remortgage (no Further Advance) step-by-step process

If you are staying with the same lender and only changing the interest rate or the term of your mortgage, you don't need our consent. If, however, your lender still requires our written consent, please email us at [remortgaging&Fa@lqgroup.org.uk](mailto:remortgaging&Fa@lqgroup.org.uk).



We will provide our consent on the company headed paper **within 10 working days** of your request.

## Remortgage (with Further Advance) step-by-step process

We need you to send us:

- A copy of your mortgage offer from your proposed new lender
- Written confirmation from your current lender confirming how much is outstanding on your mortgage, known as redemption statement
- Completed **Home Improvement application form (PDF)** detailing the home improvements you plan to make, together with quotes, invoices or receipts for the works being carried out
- When you're ready, you can **email** our team all the necessary documents.



We will carry a few checks to ensure that:

- All owners have signed the application form;
- The mortgage expiry date the loan amount is noted within the offer
- The redemption statement is up to date and within 3 months from the date it has been issued.



If you are an **equity loan customer** wishing to borrow more money to carry home improvements, you do not require our approval for the works, but you still must follow the Remortgaging approval process outlined in this document.



If you are a **shared owner** wishing to borrow more money to carry home improvements, you need to seek the Home Improvements Team's consent for works before we approve the Further Advance. [homeimprovements@lqgroup.org.uk](mailto:homeimprovements@lqgroup.org.uk).



A member of our team will check:

- If the Home Improvements Team granted consent to all the proposed works (shared owners only).
- If the quotes provided match the FA they wish to borrow, and
- Raise questions with you if the amounts do not match.



On receipt of the above, we will advise the maximum amount you can borrow.

If the property price falls or you fail to pay your mortgage in time, a maximum amount of 80% of the current value of your share can be approved.



**If the Further Advance exceeds the maximum amount permitted**, you need to contact your lender to amend your mortgage offer to match the maximum amount we advised you of.

Once we receive the revised mortgage offer, a member of our team will review the information provided and contact you to request payment of the administration fee.

Please refer to the **Homeowner Admin Fees** document for the full list of admin fees. You are required to make a card payment over the telephone, **0208 189 7465** Option 1, Option 2 to make this payment via Debit/Credit Card.

**If the Further Advance does not exceed the maximum amount permitted**, a member of our team will review the information provided and contact you to request payment of the administration fee.

Please refer to the **Homeowner Admin Fees** document for the full list of admin fees. You are required to make a card payment over the telephone, **0208 189 7465** Option 1, Option 2 to make this payment via Debit/Credit Card.



Once we receive the administration fee payment, we will email you and your lender our written consent.

All arrears must be paid.



Complete the Remortgage & Further Advance transaction.

As part of the lender's requirements, your solicitor or your lender will ask us to provide one of the following documents:

- A Mortgage Undertaking/Letter of Approval (if you are a shared owner)
- A Deed of Postponement (if you are equity loan customers or a former RTB/RTA homeowner within the first 5-year discount period).



The legal document(s) will need to be executed (signed) by an authorised signatory.

Execution of these documents can take **up to five working days**.



After completion, your solicitor should forward the Notice of Charge to the Homeownership Completions Team at **homeownershipteamcompletions@lqgroup.org.uk**.