

Industry insights

Keeping it simple

Take the complexity out of a complex mortgage application



Is it me or is life getting more complicated? The complexity of life is impacting the mortgage industry and presenting new and different opportunities to mortgage brokers, but what do these opportunities look like?

With mainstream lenders focused on standard, straight forward mortgage requests, partnering with a specialist lender, particularly those capable of handling more involved applications, can untap a whole new range of opportunities for brokers and their customers.

Here are some of the most common circumstances where a specialist lender can help:

DIVORCE

In a little more than a generation, divorce has gone from something experienced by the minority, to a widely accepted circumstance today. The first working Monday of the year is now referred to as, "divorce day", a date when family lawyers reportedly see an increase in enquiries, after the stresses of a family Christmas and a resolve to make changes due to the start of a new year.

One of the common fallouts from divorce is the off-loading of the family home and for mortgages to be secured on separate dwellings. Different lending is often needed with additional scrutiny required by the lender with regard to affordability, changes to who is paying the mortgage, plus higher repayments to cover the cost of two properties. As a broker you'll recognise this scenario and recall the complexities involved in getting new mortgage arrangements approved in this circumstance.

BLENDED FAMILIES, MULTIGENERATIONAL LIVING AND SHARED OWNERSHIP

As well as divorce there are a range of wider situations that lead to a complex mortgage application. Blended families can produce a more complicated mortgage scenario as do properties bought and shared by multiple generations, or groups of individuals who all contribute to the monthly mortgage payments. Households containing multiple families have been the fastest growing type of household over the last two decades according to the Office of National Statistics. A mortgage application in any of these scenarios has an added level of complexity. Choosing a lender that can work with these multifaceted situations is key to maximising this business development opportunity for brokers.



CHOOSING THE RIGHT LENDER

If all property buying circumstances were the same, the world would be a far less interesting place. Everybody has different mortgage requirements depending on their life stage or particular need. Many mortgage lenders say they make the complex more simple but this isn't always the case. It's therefore important to partner with a lender with the appropriate expertise to genuinely manage complex mortgage applications.

Mortgages from specialists like Harpenden are individually underwritten, unlike many mainstream lenders. This allows flexibility and the ability to accommodate the changing nature of each household's income, even if it may have been modified by circumstance. We consider a wide range of income sources when determining mortgage affordability. These include salary, bonus and commission, self-employed income, pension and investment or trust income. We actively encourage brokers and their customers to speak with our underwriters - so a focused, personalised decision can be made on the mortgage application, however complex.

This approach pays dividends for all involved, helping to get the mortgage approved and over the line. Finding a specialist lender who will take a flexible view on the merits of each case is important, particularly when the case has multiple moving parts. Going to a specialist lender first can save time, money and even the difference between the application failing or succeeding. This individual, personal underwriting process which gets to the heart of the situation may not be for all lenders, but to a specialist lender it's part of the everyday helping brokers to increase business and their customers to acquire their desired property.

When you are considering your next complex mortgage enquiry, keep it simple. Reach out to a specialist lender.

Downsizing

Another common example of a complex mortgage application relates to downsizing, when a homeowner wishes to sell a family home once the kids have flown the nest for example. This can involve moving to a smaller mortgaged property and releasing capital to help fund a retirees lifestyle. In our experience, customers in this situation often receive income from a wide variety of sources presenting brokers with a complex mortgage application to manage. Expert guidance from a lender specialising in this scenario is therefore beneficial.



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We individually assess and approach applications.



We offer a manual underwriting process.



A flexible view on merits of all cases - we're very accommodating.



We provide clear, fair and transparent charges for all cases.



Many types of income are considered when assessing affordability.