



the mortgage

The bulletin from Western Welsh Mortgage Services Ltd

Your mortgage is likely to be your largest monthly outgoing. So if you shop around for clothes, holidays, insurance and electronic goods, why not apply the same principles to your mortgage, and **consider remortgaging?**

So many choices

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» There are clearly lots of people who've woken up to the benefits of **remortgaging**. According to recent research conducted by tickbox.net on behalf of Abbey, almost half of all homeowners have remortgaged at some point, with 52 per cent of them having done so in the past five years.

For those people who have not yet switched lenders, it is clearly top of their agenda, with just under two-thirds (65 per cent) saying they would consider doing so this year.

The research also shows that almost one-fifth (19 per cent) have remortgaged to borrow more money against

their property. This is a sign of improvements of buying property. Then there are those who invest in property, rather than a pension, and remortgage their own home to purchase buy-to-let property.

For others, it may be a way to consolidate debts, possibly accumulated via credit cards and personal loans, although if you do this, you need to remember that restructuring the cost of your repayments comes at a price - namely possibly extending the repayment term of your debt and the total overall interest paid.

Of course, whatever you do you

ensure that your lender is you to use the funds in you want to. Most people, though, **remortgaging is done to get a better rate** and reduce the monthly cost of the mortgage repayments.

Increasingly popular route

Figures from the Council of Mortgage Lenders (CML) also bear testament to the increase in the number of households remortgaging.

In the first half of 2005, remortgaging

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Welcome....

to this newsletter, which covers some of the key issues of the moment that affect mortgages and mortgage-related products - and sets out how it **may help you**. In this issue we cover **remortgaging, shared ownership mortgages, buy-to-let tips**, why you should consider **life cover**, and information on how residential **property purchases** could soon form part of a pension plan.

■ Western Welsh Mortgage Services Ltd is authorised and regulated by the Financial Services Authority.

■ **Think carefully before securing other debts against your home. Your home may be repossessed if you do not keep up repayments on your mortgage.**

Look to the future

For anyone who's been on another planet for the last few months, from 6 April 2006 (A-Day) there will be a complete revamp of the pension laws, and - amongst a whole host of options - an individual will be able to place **residential property**, within a Self Invested Personal Pension (SIPP), as part of their retirement planning.

income - which must be paid into the pension - will be free of income tax.

- For holiday homes which the SIPP owner may wish to use for part of the year, either a payment equal to the commercial market rent must be paid into the fund, or pay income tax at 40 per cent on the benefit in kind.

- For holiday homes located abroad, there may still be local taxes to pay and legal matters to comply with, such as the overseas country's attitude to UK trust laws, which is why some SIPP providers may not handle such transactions.

- If a property that's already owned prior to 6 April 2006 is transferred into the SIPP, then there would be a 10% charge to pay on sale, along with stamp duty on purchase.

Whilst the pension changes may deliver benefits for some, it is a highly complex area - with action that can be taken both prior and post 6 April 2006 - so you must take legal and financial advice before proceeding.

If you'd like to hear more about pension planning, please get in touch.

A SIPP is a pension fund set up by an individual (the taxpayer) for every £1 that someone invests in their SIPP. Tax relief on pension contributions after A-Day, will be available on 100 per cent of contributions (subject to a limit of £3,600 per year).

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Of course, a SIPP route won't necessarily be available for everyone, as an individual will need to have an appropriate amount of money already in their personal pension, or be able to make suitable contributions - or both.

Anyhow, here's some current topline information:

- Income tax relief means that Her Majesty's Revenue and Customs effectively adds up to 40p (if a higher rate

- The SIPP can be used to buy residential property, and all mortgage interest and bills for repair and maintenance have to be paid out of the pension fund's assets.

- Such property investments owned by a SIPP will be free of capital gains tax (CGT) on sale and the rental

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PLEASE GET IN TOUCH WITH ME!

I would like to discuss the following ticked topics with you. I understand that the request is without obligation. Also, by providing my telephone number, I give you permission to call.

- | | | |
|---|--|---|
| <input type="checkbox"/> Remortgaging | <input type="checkbox"/> First time buyer | <input type="checkbox"/> Buy-to-let |
| <input type="checkbox"/> Protection products | <input type="checkbox"/> Insurance products | <input type="checkbox"/> Buying a second home |
| <input type="checkbox"/> Secured loans | <input type="checkbox"/> Mortgage health check | |
| <input type="checkbox"/> General mortgage information | <input type="checkbox"/> Pension planning | |

Other (please specify) _____

Please do not send any further issues

Name (Mr/Mrs/Ms) _____

Address _____

Email _____

Tel (+ best time to call) _____ Signature _____

Please put the coupon in an envelope and post **FREE** to:
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Think carefully before securing other debts against your home. Your home may be repossessed if you do not keep up repayments on your mortgage.

There may be a fee for arranging, researching and placement of a mortgage and the precise amount will depend on your circumstances. This will typically be 1% of the mortgage.

■ The contents of this newsletter are believed to be correct at the date of publication (November 2005).

■ Every care is taken that the information in *The Mortgage* newsletter is accurate at the time of going to press. However, all information and figures are subject to change and you should always make enquiries and check details and, where necessary, seek legal advice before entering into any transaction.

■ The information in this newsletter is of a general nature. You should seek professional advice tailored to your needs and circumstances before making any decisions.

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