

VIEWPOINT

YELLOW BRICK MORTGAGES LTD



Thank you for reading our newsletter, if you would like to discuss any of the articles further, please do not hesitate to contact us



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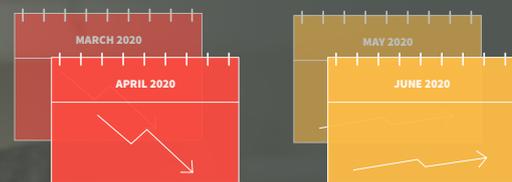
Mortgage affordability in a post-COVID world

Back in March, the Bank of England slashed interest rates to an all-time low of 0.1%, in a bid to alleviate the severe economic pressure caused by coronavirus. As the base rate cut fed through to mortgage rates and with the continuing pressure of a closed mortgage market, lenders responded by withdrawing mortgage offers, increasing rates and pulling products from the market.

Between March and May:

- 2,656 mortgage products were withdrawn, many of which were high loan-to-value (LTV) deals (i.e. those requiring a smaller deposit).
- 396 two-year fixed and 374 five-year fixed deals at 90% and 95% LTVs were pulled from the market

2020: A steep downturn, followed by a cautious return?



Lenders make a cautious return

As certain social distancing restrictions began to be lifted in May and the property market reopened for business, lenders began relaunching higher LTV deals and products aimed specifically at first-time buyers, such as Help to Buy loans.

With the property market still in the early stages of recovery, it's worth being pro-active and following some of these tips to maximise your chances of mortgage approval:

- **Save as much as you can** – while many people are experiencing financial difficulties during the pandemic, many of us are also spending a great deal less than usual. Getting your deposit as high as possible will increase your chances of mortgage success.
- **Clear your debt** – when considering your application, lenders will look at any outstanding debt. Clearing as much debt as possible, as well as closing any unused accounts, will increase lenders' confidence in your ability to repay your mortgage.
- **Understand your credit score** – the better your credit rating, the higher the likelihood you'll be accepted for the best mortgage deals. Understanding your credit rating and how to improve it is key to moving forward with a successful mortgage application.
- **Keep excellent records of self-employed earnings** – providers can be more nervous about lending to self-employed people, so having excellent records of your earnings over the past two or three years (depending on the lender) can really improve your chances.

Consult the experts

We're on hand to make sure you get a great deal for your circumstances, and one that gives you the highest chance of success. Whether you're a first-time buyer or a second stepper, we're here to guide you through this difficult period.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.



Flexible insurance for when you need it

It's all too easy for us to put our head in the sand when it comes to thinking about our protection requirements. People tend to find it challenging to engage with the topic as it involves thinking of negative potential scenarios. In reality, this is the reason to put it to the top of your 'to-do list'. Life is hopefully rosy but being prepared for any eventuality is truly priceless.

One important type of protection worth serious consideration is accident and injury cover. Life's an adventure, we don't always know what's waiting for us around the corner and if the unexpected happens, you deserve the peace of mind that you've got things covered financially.

Flexible cover, tailored to your needs

We can advise you accident and injury cover for your circumstances that provides financial support covering a range of accidental injuries, from a broken bone, to one that could seriously impact your life.

The flexibility of cover available is one of the major benefits, in addition to the ability to choose the level of cover that is tailored to your individual requirements and lifestyle; and suits your budget.

Core cover includes broken bones, accidental death and permanent injury, permanent disability, funeral benefits and UK hospital stays.

Some policies give you optional cover add-ons like protecting your children, active lifestyle cover and healthcare cover, for those who may be at particular risk of contracting certain illnesses, such as those who work in the healthcare sector.

With accident cover you can make multiple injury claims and your policy will continue to protect you in the future.

The last few months have provided the perfect opportunity to take stock of your finances and protection cover; you may be thinking about reducing your outgoings, but protection policies can provide a lifeline when you need it most.

For a cost-effective way to look after yourself and your loved ones, so you're ready for the unexpected, we can help ensure all of your protection needs are covered. Then you can enjoy life, unclouded by concerns of what might happen if you're ill, injured or need to spend time in hospital.

As with all insurance policies, conditions and exclusions will apply

Both the funeral and accidental death benefit once paid out, will end the plan.

Age restrictions apply on child cover



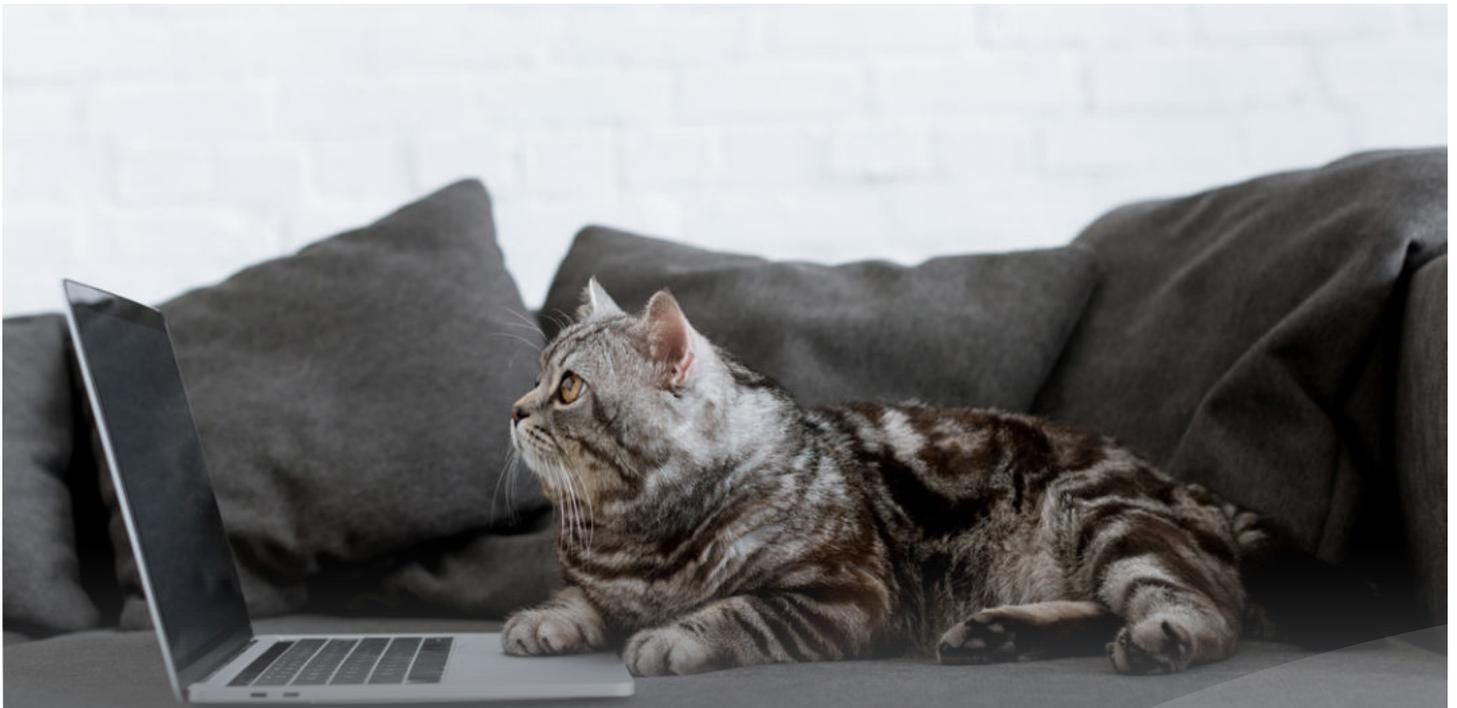
You can take out cover from the age of 18 to 60, without any health questions.



The cost of your policy will remain the same, even if you make a claim or as you get older.



Policies pay a fixed amount of money for specific injuries, depending on the level of cover.



Working from home – are you covered?

Due to the lockdown, many firms have closed workplaces, meaning that millions of people across the UK have been temporarily required to work from home.

Should I inform my insurer that I am working from home?

The Association of British Insurers (ABI) has issued reassurance that, if you are an office-based worker and you are working from home because of government advice or because you are self-isolating, your home insurance cover will not be affected.

The ABI has stated: 'You do not need to contact your insurer to update your documents or extend your cover'

Will my work laptop be covered by my home insurance?

If you're using company property such as a laptop or mobile, you should check with your employer whether they have the correct insurance policy in place to cover these items outside of the usual place of work should any damage, loss or theft occur.

Such equipment is not usually covered by a standard household insurance policy, but it is worth checking your insurance policy document to check.

I need to see business clients at my home – will this affect my insurance?

If you are receiving visitors to your home on business matters, you should check this with your insurer as having additional people coming to your house could be an insurance risk and affect your insurance premium. There may also be restrictions in the cover provided, such as theft and loss of money being excluded, unless there is evidence of forcible and violent entry to the property.

What if I have an accident whilst working from home?

Your home environment is under your own control so there is a significant duty upon you to look after your own safety. If you were to suffer an accident whilst working at home, your employer would generally only be responsible if it was due to their negligence, meaning that they had failed to take reasonable care for your safety and the accident was due to that negligence.

If you have a protection policy such as Accident and Sickness or Income Protection, and you have an accident or suffer an illness that prevents you from working, you may be able to make a claim.

I need to make a claim on my insurance – will this be difficult at the moment?

ABI home insurers have implemented business continuity plans and are continuing to handle claims and support customers, as well as prioritising those in vulnerable circumstances.

Do you have the right cover in place?

If you are unsure whether you have the right insurance cover in place, contact us for advice on your own individual circumstances.

As with all insurance policies, conditions and exclusions will apply