



Balanced
Financial Services

Why Use A Mortgage Broker?

This is a great question and one we are often asked.



Obviously, we are biased as we are Brokers, so we think you should use a broker, and because we are biased, we will just give you the answer an AI Chatbot gave us, supported with some facts and examples in the next pages so you can draw your own conclusions:



What did A.I. say:

There are several benefits of using a mortgage broker in the UK:

1. Access to a wide range of lenders:

Mortgage brokers have access to a large panel of lenders, including banks, building societies, and specialist lenders. This means they can search the market to find the most suitable mortgage options for your specific needs and circumstances.

2. Expert advice: Mortgage brokers are knowledgeable about the mortgage market and can provide expert advice tailored to your individual situation. They can help you understand the different types of mortgages available, explain the pros and cons of each option, and guide you through the entire mortgage application process.

3. Time-saving: Searching for the right mortgage deal can be time-consuming and overwhelming. Mortgage brokers can save you time by doing the research and paperwork on your behalf. They have the expertise to quickly identify suitable mortgage products and handle the application process efficiently.



4. Increased chances of approval: Mortgage brokers have a good understanding of lenders' criteria and can match you with the most suitable lenders based on your financial circumstances. This can increase your chances of getting approved for a mortgage, especially if you have a complex financial situation or a less-than-perfect credit history.

5. Cost-effective: While mortgage brokers charge a fee for their services, they can often save you money in the long run. By comparing mortgage deals from different lenders, they can help you find the most competitive interest rates and favourable terms, potentially saving you thousands of pounds over the life of your mortgage.

6. Support throughout the process: Mortgage brokers provide ongoing support from the initial consultation to the completion of your mortgage application. They can help you navigate any challenges or issues that may arise during the process, ensuring a smoother experience.

Overall, using a mortgage broker can provide you with access to a wider range of mortgage options, expert advice, time-saving benefits, increased chances of approval, potential cost savings, and ongoing support throughout the mortgage application process.



Pro Tip: If you decide that you do want to use a mortgage broker, check out our 'HOW TO CHOOSE THE RIGHT BROKER' and our 'QUESTIONS TO ASK A PROSPECTIVE BROKER' Guides

Some information about Brokers and how they can support you:



A whole of Market Independent mortgage broker will be able to access deals offered by many lenders, usually in excess of 80+ lenders and many thousands of different products.

A quick product search by Balanced Financial Services Ltd on *12 September 2023* shows the below product options (products are individual mortgage deals)

First Time Buyers: **9,924 Products**

Home Movers: **10,109 products**

Remortgages: **11,873 Products**

How else can your broker support you in your mortgage journey?

(In Addition to access to a huge number of lenders & deals, systems to help them quickly find the most suitable mortgage options, and the expertise the understand how different deals will affect you and your own longer terms plans)

We can't speak for all brokers, but we can tell you what you will get working with a Balanced Broker.

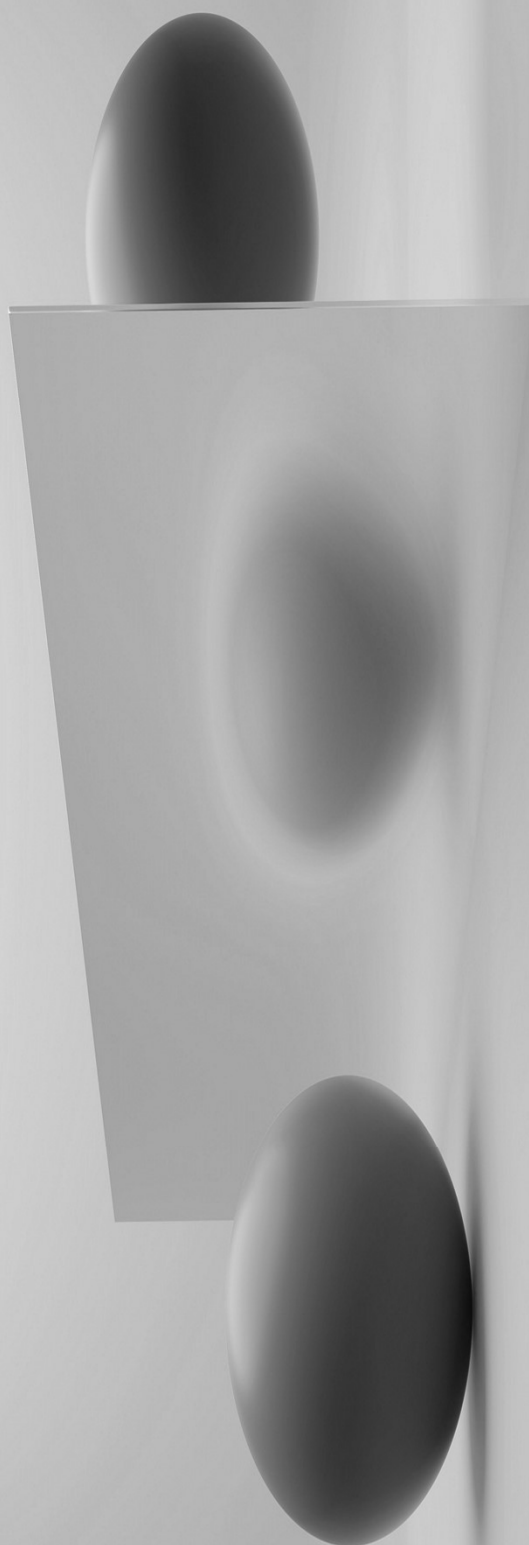
- An initial planning meeting free from pressure, sales tactics and cost.
- One Single* Qualified, FCA Registered and experienced mortgage broker throughout the process (No Administrators or assistants)*Where available considering broker holiday/absence
- Dedicated help & support from initial contact to mortgage completion and beyond.
- Support in dealing with Estate Agents, Conveyancers, and others involved in the process.
- Your questions answered and guidance throughout the process.
- An Experienced professional liaising with lenders on your behalf.
- An Experienced Broker to complete all the paperwork and help you understand what paperwork will be required and why.
- A comprehensive explanation of what could happen or go wrong in the process and what can be done to overcome any hurdles your application may face.

The Difference between a Broker and an Adviser:

There is no defined **official** answer. Not formally anyway, so we will share our **opinion** on the matter.

An **ADVISER** is a person who works normally for one lender or a small panel of lenders. Their job is to advise on mortgages, not necessarily to 'broker' a deal between the client and the most suitable lenders. So, you might have a mortgage adviser in your local bank branch, but that adviser can only advise you on that bank's mortgages, not any other bank or lenders.

A **BROKER** will give you advice on mortgages, just like an adviser, but they will also be able to broker a deal between you and a much wider number of lenders, usually including most of the high street banks, challenger banks, lesser-known lenders and building societies.



Here's some examples of the financial benefits in cash terms:

Figures correct as at 11 September 2023

Example 1:

Applicant 1 banks with a High Street Bank with Blue logos. They go to their own bank for a mortgage. Looking to purchase a £350,000 home with a 15% deposit.

Their Bank offers a deal with a total cost of **£75,675** over the 5 years of a fixed interest rate deal.

A broker will have been able to access that same deal, but they are also able to access a deal with a different, well-known lender with a total cost over the first 5 years of **£73,885** representing a **saving** of over the five years. **£1,790.00**

Reduce this by the cost of the Broker fee which in our case will have been £349.00 and the total saving for this applicant using a broker will be £1,441.00 in cash savings over the initial 5 years of the deal, and they get all the support of the broker throughout the process to boot.



Example 2:

Applicant 1 banks with a High Street Bank with Red logos. They go to their own bank for a mortgage. Looking to purchase a £225,000 home with a 10% deposit.

Their Bank offers a deal with a total cost of **£53,832** over the 5 years of a fixed interest rate deal.

As above, the broker will likely have been able to access that same deal, but they are also able to access a deal with a different, well-known Highstreet lender with a total cost over the first 5 years of **£50,890** representing a **saving** of over the five years. **£2,942**

Reduce this by the cost of the Broker fee which in our case will have been £349.00 and the total saving for this applicant using a broker will be **£2,593** in cash savings over the initial 5 years of the deal, and they get all the support of the broker throughout the process to boot.



Actual case studies:

Case 1

Applicant had been told by their bank they could not have a mortgage (**ever**) due to a historic life event.

This Bank adviser was **NOT** wrong in so much as they could only advise based on that single bank's criteria.

However, as the adviser was not able to comment on 80+ other lenders' criteria, the client was not aware other lenders would consider the application.

After years of renting and with the help of Balanced, this long-term renter is now a happy homeowner benefitting from normal, Highstreet mortgage rates

Case 2

Applicant had been to their own bank with a set figure in mind they needed to borrow. Their Bank was happy to lend to them but a significantly lower amount. The applicant felt that they needed a Broker to help them find a lender who would lend the higher loan needed to purchase the dream home.

Balanced were able to secure the required loan, with the applicant's OWN bank (who had previously said they couldn't borrow enough).

Again, the Bank Adviser was **NOT** wrong. Their job is not to 'broker a deal' or develop a solution. Balanced used the in-depth knowledge of the lenders' criteria to 'tweak' the application to meet the criteria required for the higher lending.



The Final Word...

We genuinely do think you should use a Broker. Of course, we would prefer that you choose Balanced as your Broker, but if you don't want to work with us that's ok. We would still urge you to have a look at/download the 'HOW TO CHOOSE THE RIGHT BROKER' guide

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REPOSSESSED IF YOU DO
NOT KEEP UP REPAYMENTS
ON A MORTGAGE OR ANY
OTHER DEBT SECURED ON IT

