

Contractor Mortgages: What You Need to Know



Whether you're a director of your own limited company or you're a self-employed sole-trader, you might

expect your status as a contractor to cause a problem when you apply for a mortgage. At first glance, many lenders may be put off by a contractor's profile and certainly the frontline staff at your high street bank won't understand the contracting world.

That's where a specialist mortgage broker comes in. Orange Genie's partner, CMME, will use their expertise and experience to find the best possible lender for you, and help you secure a mortgage based on your contract rate. You won't need to submit accounts, which is good news if you're new to contracting, and any lender CMME recommend will be a recognised, major financial institution.

FREE GUIDES FOR CONTRACTORS!

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How to Secure a Contractor Mortgage

Make sure your contract is up to date

Because your application will be based on your current contract, you'll need to make sure this is up to date. You'll need the signed copy and it must clearly state the length of your contract and your contract rate. You'll also need ID, bank statements – business and personal if relevant – and any other information that could be relevant to your mortgage application.

Make sure you have a good credit rating

Even if you have a decent income and a sizeable deposit, your mortgage application can still be refused if your credit rating is bad. While there's no doubt that they are keen to lend, mortgage lenders are under pressure to confirm affordability so it's best to make sure your record is as "clean" as possible. Make sure the electoral role is updated when you move house, and don't miss any payments on any existing loans or credit cards.



Don't overstretch

It's important to know your limits, and be sure that you can afford the repayments. Depending on your other financial commitments, the figure the lender is willing to offer based on your contract rate, may not be affordable. If you're on a variable rate it's important to consider the effect of a future rise in interest rates and be sure you could cope if your repayments went up. The expert advisors at CMME will help you find a mortgage that suits your needs, taking possible future developments into account.

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Use a contractor mortgage specialist

CMME have negotiated specialist underwriting terms with a number of high street lenders, and they will help you select the right lender for you. These specialist terms allow them to arrange a mortgage based on your current contract, rather than the length of time you've been contracting.

Don't let the high-street put you off

If you've spoken to a mortgage advisor at your high-street branch, or a call centre agent who has not had specialist training in the contractor market, you may have been told any number of disheartening stories. You may have heard that you need a 50% deposit, or that you shouldn't apply until you've been contracting for six months. You may have been warned that you'll pay a higher rate because you're a contractor, or that the verification process will be extremely complex and take months to complete. Because CMME have already negotiated specialist underwriting terms and because the key underwriters they work with understand the nature of your income,

they can help you secure a mortgage based on your contract rate alone, and you can expect the same terms and rates that are available to employees.



Do I need a specialist contractor mortgage broker?

Historically it has been problematic for contractors to arrange a mortgage. High street banks and non-specialist brokers expect to see conventional employment or self-employment, and they often won't be able to help if you don't fit into that.

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Often a large chunk of your income will be ignored for assessment purposes, making it impossible to secure the level of funding you need. You may even have been turned down by your bank already.

The irony is that many contractors have higher income and more marketable skills than permanent workers, so they're less likely to face long periods out of work. This makes them less of a risk for a mortgage lender. Unfortunately, many lenders fail to recognise this.



C | M | M | E Mortgages for independent professionals

That's where Orange Genie's partnership with CMME can help. As a specialist contractor mortgage broker, CMME understand how to present your information to lenders to ensure you can secure mortgage funding. CMME are one of the largest mortgage brokers in the UK, with a team of over 70 dedicated professionals. They have access to the same range of mortgage deals that are available to permanent workers, and they'll find you the most competitive mortgage based on your contractor status.

- Access to exclusive rates and products
- Borrow up to 5 times your annualised contract rate
- No accounts required
- Years of expert advice

**If you still have questions, or if
we can help in any way please
call Orange Genie today!**

**Speak to your
accountant!**

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