



Contractor Mortgages

- Professional
- ● Contractor Mortgages



The Mortgage Market – An overview

- Back in May 2020, the Bank of England warned that house prices could fall by as much as 16% as a result of the coronavirus pandemic¹.
- Latest figures from the Halifax House Price Index, show the housing market is continuing to defy expectations.
- The average property prices were up 9.8% in 2021, an increase of over £24,500 – the largest annual cash rise since March 2003².

What's driving house price growth?

- Over the last 24 months or so, the UK Government has brought in a number of initiatives to help curb the devastating effects of the pandemic and support the economy.
- We also saw a significant number of transactions driven by the 'race for space', as home-working and long periods at home in general prompted buyers to look for bigger properties with more space.

What about Mortgages Rates Now?

- Average rates across all major fixes lifted again this week.
- For a two-year fix, the average rate lifted by 8 basis points to 3.30%, while the average rate for a three-year fix rose by 6 basis points to 3.39%.
- Over longer terms, the average rate for a five-year fix climbed by 4 basis points to 3.41%, while the average rate for a 10-year fix lifted by 9 basis points to 3.51%.

Who are Professional Contractor Mortgages?

- Formed in 2019
- Previously worked for (then) largest specialist broker
- Dedicated to the contractor market
- Experienced consultants
- Direct access to contractor underwriters
- Work completely differently to most brokers

Challenges as a Contractor

- Income
 - Ltd Company
 - Lenders assess as Self Employed.
 - Income assessed on taxable income
 - Salary and Dividends
 - 3 Years accounts
 - Umbrella
 - Lenders do not understand role of umbrella
 - Will ignore any income other than basic
 - Often request 24 months umbrella history with 6 months remaining on current contract
- Longevity of Contracting
 - May be looking for a 25 years mortgage but contract expires in 6 months

The Solution

- Bespoke underwriting for Contractors
 - Income
 - Lender will assess income on the basis of contract day rate x 5 x 48 weeks
 - Only 1 month contract remaining required
 - Can help for day 1 of going contracting
 - Longevity
 - CV used to demonstrate contract and industry experience
 - Lender will understand you are able to secure a new role if current contract were not to renew

The Lenders 10 Years Ago



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The Lenders Today



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What will you need to provide?

- Proof of identity and address
- Evidence of current contract with 1 month unexpired term at point of application.
- Previous signed contracts covering last 12 months.
- Latest 3 months bank statements for your personal and business bank accounts for all applicants
- Your solicitor / conveyancer must be on the lender's panel of acceptable legal firms as they must carry out legal work both for yourself and the lender.
- Proof of consent to let and tenancy agreements for any investment property to remain
- Proof of deposit funds

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Client's we
have helped

- House Purchase
- Remortgage
- Further Advance
- Product Transfers
- Buy to Let
- Limited Company BTL
- Commercial
- Secured Loans
- Bridging Finance

What are the top 5 things that can help secure you a mortgage?

- **Maintain a good credit rating** – as with any mortgage application, it is important to ensure your credit rating is in good shape.
- **Avoid lengthy contracting breaks** – whilst flexibility is a major benefit of contracting, having a major period of inactivity is not likely to be looked upon favourably.
- **Show evidence of long-term contracts** – ongoing and lengthy agreements with employers show stability and reliability for your application.
- **Keep your CV up to date** – The key to making a lender comfortable with the short term nature of contracting is to demonstrate how you have secure contracts and perm roles during your career.
- **Speak with a Specialist** – Presenting your situation in the right light is imperative. Failed applications elsewhere could impact your ability to secure a contractor mortgage.

What our clients say

PCM have a wealth of experience in this sector and were incredibly knowledgeable about the working patterns of contractors; an area where many other companies would flounder. The service we have received from Steve, has been excellent. Professional, honest and supportive. We wholeheartedly recommend PCM.

Having been through the mortgage process a few time before, I was dreading trying to find a mortgage now I've set up my own business. Andy was great! He made the process simple, dealt with the inevitable follow-up underwriting questions quickly and with minimal faff- Highly recommend!

Can't lie, I had initially tried to get a mortgage myself and very soon realised how hard that was. William Coe assisted me for the entire journey, and it simply made it painless. He was quick, effective and pleasant to deal with. Recommended to anyone looking to get their mortgage, especially other fellow contractors

Professional Contractor Mortgages have been absolutely fantastic in providing support from the beginning of my mortgage journey up until approval. They are equipped with all the right tools to guide any buyer towards achieving their goal. They are professional, understanding and knowledgeable. I highly recommend their services to anyone looking for a mortgage especially first time buyers! Thank you for a brilliant service .

We have used Professional Contractor Mortgages several times before and we have never been disappointed. Their service has been excellent from start to finish. William was fantastic when dealt with our application and can not thank him enough. Thank you again.



Thank you
for your
time.



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