

## Fixed Rate mortgages

With your **Fixed Rate** mortgage, the interest rate you pay will stay the same throughout the initial product term, no matter what happens to interest rates in the market.

This means that you have certainty of knowing what you will pay each month. The downside is that, if interest rates fall, you may be paying more than you would have done had you not fixed your rate. When the product term ends, the rate will then move onto a Standard Variable Rate (SVR).

The SVR you move on to at the end of the product term may be higher than your fixed rate. So your monthly payment could increase significantly, so you need to plan for this. For this reason, you should generally monitor your mortgage provider's variable rate. If this is increasing, you should think about reducing your other outgoings accordingly so that you can meet the higher repayments, at the end of the product term.

You may (at that time) be able to arrange another fixed rate or other type of mortgage. This can be done as a product transfer with your lender or remortgage to a different one. You should speak to your adviser firm, around 6 months before the end of the product period to look at the options for you.

If you wish to repay the mortgage before the end of the product period, there will be an early repayment charge to consider. This can be a considerable fee to pay.

If you move house your fixed rate may be 'portable', which means it might be possible to move it to a new property. If this is important to you, please ensure your recommended mortgage has a portability option included.

Moving is still treated as a new mortgage application so you will need to meet the lender's affordability checks and other criteria to be approved for the mortgage.