# Personal approach means lenders can meet demand for higher LTV remortgages

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We’re already around a quarter of the way through the year and we know that many intermediaries are already incredibly busy.

They have been inundated with enquiries from clients old and new about whether they can raise additional funds against their property.

## Why now is the time for raising funds through remortgaging

There are all sorts of different reasons why clients will be picking their broker’s brains over their funding options at the moment. For some it may have been simply the impetus of a new year, a fresh start and an opportunity to get their finances into better shape. This is all the more pertinent after the last couple of years, when the pandemic has caused many people to turn to forms of credit like personal loans or credit cards to help them deal with dents to their regular income that have occurred. By remortgaging for a higher sum, the client can consolidate all of those debts into a single, easy to track loan.

The start of the year is also, sadly, a time which tends to see a jump in relationship breakdowns. Indeed, the first working Monday of the year is often referred to as ‘divorce day’ given the spike in enquiries that lawyers often get from people whose marriages are coming to an end. As people move out of the marital home, it’s common for couples to look to transfer some of the equity so that they can start afresh without having to sell the property.

Timing is also a big factor here. Analysis of figures from the CACI mortgage database shows that in January mortgages worth a whopping £6.7 billion matured, the second largest peak of 2022. This provides borrowers with an excellent window of opportunity for raising the funds they need by remortgaging, free of the financial hurdle provided by early repayment charges and the like.

## Accessing funding

Of course, just because your client wants to raise those funds, it doesn’t mean that lenders will necessarily take an understanding viewpoint. Increasing your mortgage loan-to-value may be simple enough if you’re already sitting on 40% plus equity, but the situation can be rather different for borrowers at higher LTVs.

This is a particular issue too for those clients who have been hardest hit by the pandemic, and may have missed a payment or two. A recent study by Smart Money People found that one of the areas highlighted by brokers as ripe for lender improvement was the approach to lending at higher LTVs to adverse clients. This included being a bit more understanding of clients who have simply suffered a ‘blip’ on their credit file, rather than falling into more significant credit issues.

That’s something we are determined to change at Mansfield Building Society, which is why we have recently revamped our remortgage offering, extending our maximum LTV back up to 90% with debt consolidation and capital raising.

In our view, there is no need to penalise homeowners who want to get their finances and homes into better shape by remortgaging for a higher sum, simply because they aren’t sat on enormous equity stakes.

## Taking a personal approach

This criteria change is a demonstration of what sets lenders like Mansfield apart. At Mansfield, we try to adopt a different approach from the big names. Rather than rely on algorithms or rigid criteria, we have invested in an experienced and knowledgeable underwriting team who are perfectly placed to assess each case on its merits.

By getting closer to the case - and the borrowers involved - it means they understand the loan properly, and so can give a more balanced and informed decision.

Working in a more personal and flexible way means that we can help more borrowers, even those whose circumstances are a little out of the ordinary and who may not fit within the strict lending parameters of high street names.

## A common sense approach

If you've got a case on your desk that requires a common sense approach to lending then please pick up the phone to our Broker Support team on 01623 676360 or visit https://www.mansfieldbs.co.uk/intermediaries/.