

# WORKING WITH FLEXIBLE LENDERS WILL BE CRUCIAL IN 2023.

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There's no question that 2022 was an extraordinary year. At the start of the year few of us would have expected to see quite the turnaround at the top of the Government, with three Prime Ministers and four Chancellors of the Exchequer, for example.

As a result, gazing into the crystal ball for what 2023 may hold is a dangerous game. Yet it's important to take a broad view of what may lay ahead for the mortgage market, and how advisers can best prepare.

## THE REMORTGAGE CHALLENGE

One crucial area will be remortgaging. We know that significant numbers of borrowers on fixed rate deals will see their fixed term come to an end over the next 12 months, and they will likely face a very different mortgage market from that in which they took out their initial deal.

A succession of base rate rises, with the expectation of more to come, has led to a dramatic repricing of rates across the market. This means that many of those remortgaging will have to contend with an increase to their monthly repayments.

But finding a deal may also prove more challenging if their circumstances have changed. Between the pandemic and the economic difficulties of this year, there is no shortage of borrowers who are in a different financial situation today, and more than capable of meeting the repayments, yet are stuck because some lenders have not only repriced, but have also tightened up their attitude towards anything out of the ordinary.

As a result it's really important for brokers to identify lenders who adopt a more versatile approach. At Mansfield Building Society we put our trust in our underwriters, allowing them to really get to grips with the individual features of a case to establish whether we can help.

The fact that there is something complex about a case is not a reason to automatically turn down the application.

## SUPPORTING LANDLORDS

It's not just residential mortgages where this will be a challenge, though. The buy-to-let market has also been shaken by the recent turmoil, resulting not only in a hiking of rates but far more stringent stress tests too.

Yet some lenders are actually keen to continue to support those in the rental market, operating stress tests at reasonable and responsible levels.

While 2023 will undoubtedly be a challenging one for brokers and borrowers of all kinds, there will be opportunities there.

The crucial task for brokers will be recognising which lenders are truly open for business and want to support their clients, rather than those who have such a strict approach to criteria that accessing funding is overly difficult.

## **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/>.**