**Property October send plan**

**Subject line: Which mortgage is right for you?**

**Preview line: 4 different types of mortgages explained**

When getting involved in the property market, there are many technical parts to buying a home. Mortgages can be one of the most complicated steps.

**What is a mortgage?**

A mortgage is a legal loan agreement between a borrower and a lender for an agreed-upon amount of money towards a property purchase. When you purchase a home, you will place down a deposit, which is normally around 10–25% of the property's price, and then repay the mortgage on an agreed-upon timeline between 20 and 40 years.

**Fixed-rate mortgage**

A fixed-rate mortgage is one where the interest rate stays the same throughout the agreed-upon period. This is usually maintained for two to five years. These mortgages are great if you want to maintain a constant payment over a period, but if the bank's interest rates reduce, you might end up paying more in the long run.

**Variable-interest mortgage**

This type of mortgage is where you pay an interest rate that your lender independently sets. The lender will use the Bank of England’s base interest rate as a guide, but charge more in line with other lenders. With this mortgage, your monthly interest rates will be constantly changing.

**Tracker mortgage**

A tracker mortgage is a type of mortgage that tracks the base rate of the Bank of England. The base rate can change up to eight times a year, so the lender only increases and decreases your interest rate if the base rate at the Bank of England changes.

**Buy-to-let mortgage**

A buy-to-let mortgage is a mortgage specifically designed for investors and landlords for a property they don’t plan to live in themselves. You are typically expected to put down a higher deposit, around 25–40% of the property price, and only pay the interest rate each month instead of the full monthly repayment cost.

**Are you ready to secure a mortgage and get that dream property? Get in touch today for more details.**