

mortgages

An essential guide for first-time buyers.

For use in Scotland only.





Buying your first home can seem daunting, so read our step-by-step guide to find out how the process works.

Step 1 – Plan

Unless you already have your deposit, you'll need to start saving and make sure that you have a good credit record.

Here are some steps you can follow to help you prepare.

1 Build up a solid savings balance

You could need as little as 5% of the property value, but depending on the value of property you're looking to purchase you may need a bigger deposit.

Tip: As well as your deposit, it's important to consider the total costs involved with buying your first home. This is something our Mortgage Experts can help you with.

2 Reduce your existing borrowing

To work out how much you can afford to borrow for a mortgage, we'll assess your income and your outgoings. We'll include any existing borrowing, so it makes sense to get this as low as possible before you apply.

Our mortgage calculator will give you an indication of how much you could borrow with TSB, just visit [tsb.co.uk/mortgages/calculator](https://www.tsb.co.uk/mortgages/calculator)

3 Review your credit record

It helps if you have already built up a good credit history, so make sure you:

- are on the electoral register
- are making repayments on any existing borrowing on time
- have kept your existing borrowing well within your credit limit.

You can get details of the information that credit reference agencies hold about you by visiting the websites below:

www.experian.co.uk/crain

www.transunion.co.uk/crain

www.equifax.co.uk/crain

Step 2 – Work out what you can afford

We can help you do this by completing a mortgage promise – or you may know it as an agreement in principle. This tells you how much we could lend you based on your income and outgoing expenses. So it's a good idea to talk to us about your mortgage as early as possible, before you start looking for a place to buy.

Have in mind the most you want to spend – a price ceiling. It's one of the first questions you'll be asked by an estate agent or if you're looking at a property website, and means that you'll only get to see the properties you can afford to buy.

Speaking to us at this stage should help you with making an offer on a property. It is likely your solicitor will insist on seeing evidence of what you can borrow before submitting an offer to the seller on your behalf.

Plan your budget

Don't forget to budget for the initial expenses of buying a home by calculating your moving costs, such as hiring a removal company or buying new appliances.

Our Mortgage Experts will help you to consider what other costs you may need to budget for too, such as solicitors fees, Land and Buildings Transaction Tax and buildings insurance. And when you're ready to proceed, our Mortgage Advisers will recommend a mortgage within your budget, that you can afford.

You'll need to have your buildings insurance in place when your mortgage completes, but don't forget to think about what other protection you might need, such as contents insurance or life and critical illness cover.

You can find out more about our Pick and Protect home insurance [here](#).



TSB Pick and Protect home insurance is brought to you by TSB Bank plc and underwritten by Aviva Insurance Limited. T&Cs apply. Must be aged 16+ and UK resident only.

Life Insurance products which are introduced by TSB Bank plc are provided and administered by Legal & General Assurance Society Limited.

Step 3 – Search for your first home

When you're choosing your first home there's a lot to think about – where you want to live, how much space you need and how much DIY you're prepared to do.

1 Create a viewing checklist of what you're looking for.

What kind of home suits the needs of you and your family?

2 Get an idea of what's available.

Look at lots of different properties to get an idea of what you like and how the prices compare.

3 Register with a few local estate agents and tell them exactly what you're looking for. You can also register for property alerts online.

Tip: When looking at properties, take someone with you as they may pick up things you miss and you can discuss it with them later on. And if you like the property, having a second viewing at a different time on another day could help give you an idea of how the light in the property and volume of traffic changes at different times of the day. This will help you to decide if you wish to make an offer or not.

4 Consider the following key points if you're buying a new build:

- the plans and room sizes, as these may be smaller than the show home
- small print in the developer's specification, to check the finishes are what you want, and what finishes are included in the price
- availability of a warranty, such as a National House Building Council Certificate or a Premier Guarantee
- how much deposit you may need, as this can vary if the property is a new build and depends on whether you intend to use an affordable housing scheme. You can visit our affordable housing page to learn more about some of the schemes that may be available [tsb.co.uk/mortgages/affordable-housing](https://www.tsb.co.uk/mortgages/affordable-housing)

Tip: You need a solicitor to submit an offer on a property in Scotland, so it makes sense to appoint one while you're looking for a property, to help things move faster when you find somewhere you like.

Step 4 – Make an offer

When you're sure you've found the right place, it's time to make an offer. This is a big step and you want to make sure you're ready. Having answers to the following questions will make it easier for you.

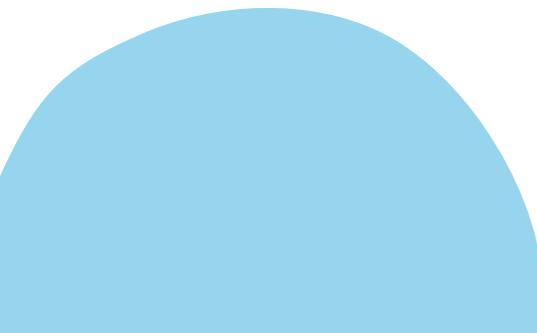
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Create a checklist, such as:

- What is the maximum amount you can spend?
- What deposit will be required? If you're paying over the Home Report value, you'll need to pay the extra yourself. Talk to your Mortgage Adviser for more information.
- Have you obtained a mortgage promise for the amount you'll need to borrow?
- What is your timespan for the move?
- Do you have any other outstanding offers?
- How much are you willing to offer and how much are you willing to negotiate?
- Which fixtures and fittings are included in the sale?
- Have you seen the Home Report? This provides information about the condition and value of a property, and is available free of charge from the estate agent.
- Ask your solicitor to 'note your interest' with the sellers solicitor or agents. This means you'll be told when a 'closing date' for offers has been set.

Talk to the estate agent to find out as much as possible, for example whether the seller wants to move quickly.

Remember, estate agents work for the seller and are trying to get the best deal for them rather than you.



2

Making the offer

Properties are often advertised at an 'offers over' price, this means the seller is looking for this figure as a minimum, but is expecting to receive higher offers. If a number of people are interested, there will normally be a closing date for sealed offers. The seller will then accept the most suitable one, often the highest bid.

Properties can also be advertised at a 'fixed price', meaning that the seller is willing to accept the first offer at the price specified.

Let your solicitor know how much you would like to offer. If this isn't accepted, you may be given the opportunity to increase the offer, but make sure it's within your budget and what you can afford to borrow.

Step 5 – Apply for your mortgage

When your offer has been accepted, it's time to submit your full mortgage application. If you've previously applied for a Mortgage Promise, this will include details of what documents you'll need to have to hand for this part of the journey.

Your Mortgage Adviser will discuss your needs and circumstances to ensure you have the right mortgage in place that's suitable for you. And once they've done this, they'll submit your full mortgage application.

Once your full mortgage application is submitted, we'll carry out a valuation of the property. Although you'll be provided with a copy of the Home Report from the sellers, depending on the condition of the property you may want to get your own independent survey. It could highlight any defects in the property's structure, such as damp or movement, and might save you unexpected costs later down the line.

Step 6 – Arrange protection for your home and family

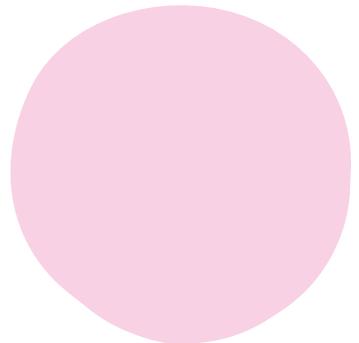
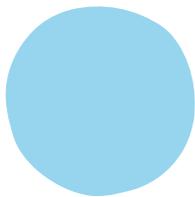
Home insurance gives you peace of mind that your home and its contents are protected should the unexpected happen.

Life and critical illness cover – sometimes it's ourselves and our loved ones we need to think about protecting. Life cover means that a lump sum could be paid to help clear the mortgage, whilst critical illness cover could provide you with a lump sum if you become critically ill during your policy term. Our Mortgage Experts can talk through the different levels of protection you may want to consider, and what they might cost you.

Step 7 – The legal process

The legal work to transfer ownership of a property is called conveyancing. If you're buying a property with a mortgage you'll have to appoint a solicitor to do this for you.

Your solicitor will guide you through the process, speak to the seller's solicitor, liaise with your mortgage lender and the estate agent – and make sure you understand the details.



Step 8 – Concluding missives and completion

These are the later stages of the legal process. Once missives are concluded, the buyer and the seller are both legally committed to the sale.

1 Concluding missives

Congratulations! Your offer has been accepted. Now, your solicitor and the seller's solicitor will deal with the legal process of negotiating the conditions of the sale. This involves a series of letters going back and forth between the solicitors known as the 'missives'. Once both parties are happy with the conditions, a 'concluding missive' will be sent. This then forms a binding contract between you and the seller, which will include the date of entry.

2 Preparing for completion

- Your solicitor will complete the legal work, including preparing the document to transfer ownership to you, known as a 'Disposition'.
- At this time, your solicitor will let you know where and when to transfer the funds for your deposit, legal fees and any Land and Building Transaction Tax that may be due.

3 Completion

- On your agreed date of entry, your solicitor will have requested your mortgage funds. They'll forward this, together with your deposit, to the seller's solicitor.
- You'll need to have your buildings insurance in place for this date.
- When the payment has been received, you'll be able to pick up the keys to your new home.
- Your solicitor will also pay any Land and Building Transaction Tax that is due and apply to register your ownership and the mortgage deed with Registers of Scotland.

Step 9 – Prepare for Completion

With most of the paperwork out of the way, these are the things to think about so you're ready to complete on your mortgage and move in.

Four weeks before moving:

Have you confirmed the date you'll be moving in?

Have you booked time off work?

Have you started planning your removal?

Does your home contents insurance cover you for the move? If not, have you arranged for separate cover?

Have you let all your telephone and utility companies, bank and other key parties know when you are moving?

Two weeks before moving:

Have you redirected your post (if appropriate)?

Have you arranged to take over the phone in your new home? Contact the service provider to see if you can keep the line switched on and avoid any reconnection charges.



One week before moving:

Have you packed the majority of your items?

Do you know what time you'll be able to move?

Have you confirmed all details with your removal company?

Have you asked the previous owners to show you where the gas and electricity meters are, and where you can find the fuse box and stopcocks?

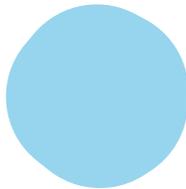
Are all the window and door keys labelled and easily available?

Put together a moving pack with all the essentials you'll need on the day such as tea, coffee, a kettle, mugs, light bulbs, cleaning materials and toilet paper.

Day before moving:

Have you kept your moving pack handy so it's within easy reach whilst you're moving in?

Have you settled all your bills?



Step 10 – Completion

When you complete on your mortgage this means the property is officially yours, and with all of the paperwork out of the way it's time to move in to your new home.

Completion day checklist:

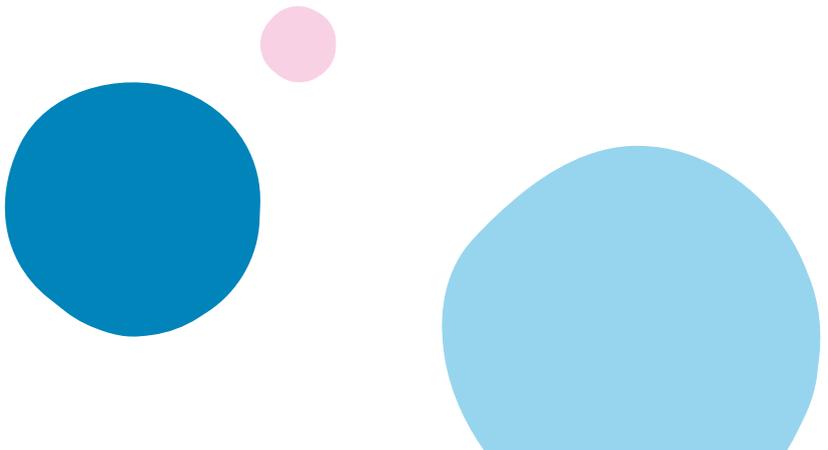
Make a note of the readings to tell your utilities providers in both your old home and your new one.

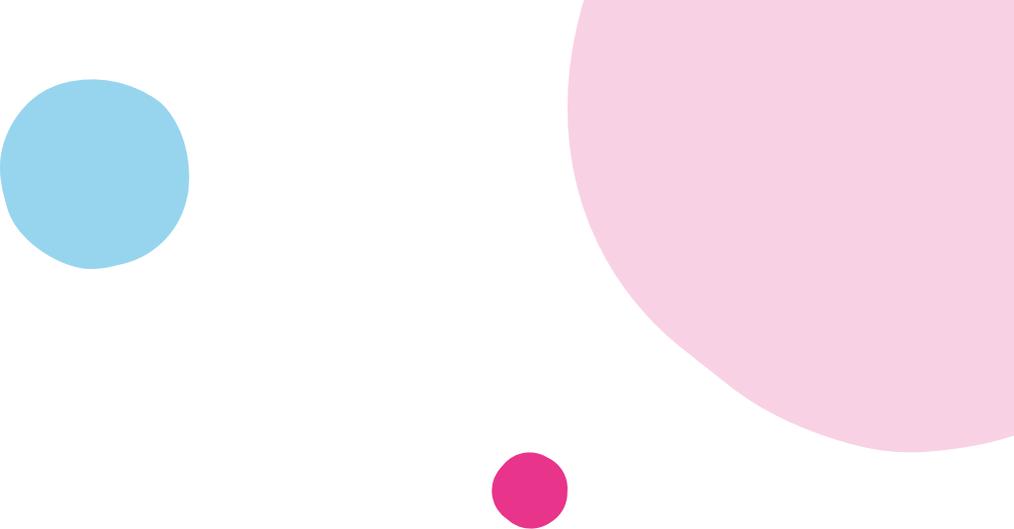
Has your solicitor transferred payment to the seller? Your mortgage lender will transfer the funds directly to your solicitor.

Have you received the keys to the property?

Has your solicitor completed a tax return to pay the Land and Buildings Transaction Tax if applicable?

Step 11 – Enjoy your new home!





**YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT
KEEP UP REPAYMENTS ON YOUR MORTGAGE.**

Subject to status and lending criteria. 18+ and UK resident only.

Need some extra help to do your banking? This might be due to physical or mental wellbeing or a life event. We're here to support you. Let us know what you need by calling **03459 758 758**, chat to us in the Mobile Banking App, or visit us in branch.

This information is available in large print, Braille and audio. Ask in branch or call us on **03459 758 758** (lines are open from 8am to 8pm, 7 days a week).

If you have a hearing or speech impairment you can call us using the National Relay UK service. Type '18001' before entering our telephone number. A member of the Royal National Institute for Deaf People will join the call to speak with us as you send and receive text messages. Please visit www.relayuk.bt.com to read how they manage your data.

If you need to call us from abroad, or prefer not to use our **0345** number, you can also call us on **+44 203 284 1575**. Calls may be monitored or recorded.

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