

Remortgaging your heylo home

Requesting consent to remortgage

Under the terms of your lease, you as the leaseholder, are required to obtain written consent from Heylo, as the landlord, for all loans or mortgages secured against the property. The mortgage lender also has to obtain written consent from Heylo for the terms of the mortgage in order to ensure their lender protection is in place and valid. The lender protection relates to the agreement in place with the lender should forfeiture of the lease occur.

Approval from Heylo is also required for any charges against the property. As part of the remortgage process the solicitors arranging the remortgage will provide Heylo with a Notice of Charge and request Heylo's approval prior to the remortgage being completed. To approve and register this charge, a fee of £150 plus VAT is due to Heylo and is usually processed by the solicitors arranging the remortgage.

If you are seeking to increase the amount being borrowed from the redemption figure of your current mortgage or are seeking to increase the term of your mortgage from the remaining term of your current mortgage then we will provide approval to proceed, within the following parameters:

Increase in borrowed amount

- Up to 105% of the redemption figure of the current mortgage
e.g If the redemption figure on your current mortgage is £100,000 then we will approve additional borrowing up to a total of £105,000

Increase in mortgage term

- Maximum of 5 year extension to the original mortgage term remaining
e.g if the original mortgage was for 35 years and there are 32 years remaining we will approve a new mortgage term up to a maximum of 37 years.

These parameters are in place as the shared ownership scheme is to assist people in owning their own home. Any remortgage to release equity from the property should be used to increase the amount of the property owned, through a process called staircasing.

The mortgage you have on your property is a reducing liability, in that over time the amount borrowed reduces as payments are made.

The rent on your property is an increasing liability because under the terms of your lease, the rent is reviewed and increased annually. Therefore priority should be given to reducing this liability by increasing the share of the property owned.