

Why flexibility is key in later

According to an ONS report, 1.4million households in the UK will face the prospect of interest rate rises when they renew their fixed rate mortgages in 2023. What's more, 57% of those coming up for renewal had interest rates fixed at below 2%.

The rise in mortgage rates, combined with huge increases in energy and food bills, will see more borrowers looking to lenders who can be more flexible and suggest innovative solutions.

How can we help?

- **Pension pots**

Many lenders will take a percentage of a pension pot, typically 3%, and assume this as income. Some won't consider pension pot income at all if it's not already in drawdown

At Family Building Society, we can take up to 80% of the value of a pension pot and divide it by the proposed mortgage term. For example, take a £500,000 pension pot. 80% equates to £400,000. The customer might be looking for a 15-year term, allowing us to calculate a £26,000 income from the pension pot, which makes it affordable.

- **Other acceptable income**

Income from investment portfolios, stocks and shares ISAs, other 'unearned' or passive income streams such as rental income, state pension and any other annuities can be added to the assumed income. Remuneration drawn by limited company directors also qualifies.

- **Guarantor alternative**

We can also reverse the traditional Joint Borrower Sole Proprietor mortgage – or Joint Mortgage Sole Owner (JMSO) as we know it at Family Building Society. This allows children to support their parents to buy or remortgage a property, so that the parents can stay in their family home for longer. Rates can be found that are as competitive as standard mortgages.

This is how we, at Family Building Society, underwrite our mortgages. Case by case, story by story, so we can be flexible and use borrowers' income, pensions and investments in the best way to improve affordability.

We take great pride in how we do things, and it works.

[Find out more and see just how flexible we can be!](#)

Semi-exclusive products

Did you know that on top of our standard range of products we have additional semi-exclusive products available via our packaging partners? Speak to your local Business Development Manager for more information.

For more information on our mortgage products, please visit our website or contact your [local BDM](#) or our [mortgage desk](#).