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What to check when taking out a mortgage –make sure you have asked all the questions listed and understand these before entering into a commitment.

DOES IT MEET YOUR NEEDS?

- How much can you borrow? Usually a multiple of your earnings and up to a maximum percentage of the value of the property.
- Do you want a repayment mortgage or interest-only mortgage?
- Does the interest rate vary? Is it fixed or capped - for how long? Is it discounted - for how long?
- Is this a CAT standard mortgage?

COST

- Look at all the costs you will have to pay each month, including all fees, not just the mortgage payment. Consider whether you are able to pay the fees rather than adding to the loan as in the long run, it can end up setting you back far more.
- Compare the annual percentage rate of charge (APRCs). The higher the APRC, the more costly the mortgage.
- With an interest-only loan, remember you'll have to pay extra for a savings scheme to pay off the loan
- How quickly does variable interest reflect changes, such as a fall in base rates or paying off part of the loan early?
- Must you pay a mortgage indemnity guarantee if you borrow a high percentage of the value of your home?
- Do you have to take out other products, such as house or life insurance, through the lender as part of the mortgage deal? Shop around because you'll usually pay less

YOUR COMMITMENT

- How much must you pay each month? Can you afford these payments?
- How will the payments change after the end of any special deal (such as a discounted or fixed interest rate)? Will you be able to afford the payments then?

FLEXIBILITY

- Can you pay off all or part of the loan early? Is there an early redemption charge?
- Can you make regular overpayments? How soon do overpayments reduce your outstanding loan and the payments you make?
- Can you reduce or even miss payments?
- Are there penalties if you pay off the mortgage in the early years or during a fixed, capped or discounted period? Do penalties extend beyond this period?
- What happens when you move? Must you repay the loan or can it be transferred to another property?

RETURN

Not applicable with most mortgages. But if you are considering an 'all-in-one mortgage' (where the balance of your current account and maybe other savings accounts too is deducted from the mortgage balance before working out the interest on the loan), compare with the rate you would otherwise get on your savings.

RISK	• If you do not keep up the payments, you could lose your home. • With a variable rate mortgage, could you cope if your monthly payments rose due to a rise in interest rates? • If this is a joint mortgage, could you keep up the payments if one of you stopped work - for example, on starting a family or because of unemployment? • With an interest-only loan, you'll need to check regularly that your savings scheme is still on track to pay off the whole loan. If not, you'll need to increase the amount you save each month.
REVIEW	Review your mortgage every few years to check you are still paying a competitive rate. If not, look into switching. You need to check whether the savings on a new mortgage would outweigh the cost of switching including any early redemption charge.
OTHER	You can reduce the risk of missing payments by taking out mortgage payment protection insurance. It covers payments for, say, one or two years if you can't work because of illness or unemployment. But carefully check the policy terms to make sure your circumstances are

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Principles of Business

1 Integrity	A *firm* must conduct its business with integrity.
2 Skill, care and diligence	A *firm* must conduct its business with due skill, care and diligence.
3 Management and control	A *firm* must take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems.
4 Financial prudence	A *firm* must maintain adequate financial resources.
5 Market conduct	A *firm* must observe proper standards of market conduct.
6 Customers' interests	A *firm* must pay due regard to the interests of its *customers* and treat them fairly.
7 Communications with clients	A *firm* must pay due regard to the information needs of its *clients*, and communicate information to them in a way which is clear, fair and not misleading.
8 Conflicts of interest	A *firm* must manage conflicts of interest fairly, both between itself and its *customers* and between a *customer* and another *client*.
9 Customers: relationship of trust	A *firm* must take reasonable care to ensure the suitability of its advice and discretionary decisions for any *customer* who is entitled to rely upon its judgment.
10 Clients' assets	A *firm* must arrange adequate protection for *clients'* assets when it is responsible for them.
11 Relations with regulators	A *firm* must deal with its regulators in an open and cooperative way, and must disclose to the *FCA* appropriately anything relating to the *firm* of which the *FCA* would reasonably expect notice.

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