



When we first opened The Mortgage Shop in 1990, our advisers would recommend the best mortgage product and lender for our clients, as well as organising the essential life assurance that all lenders stipulated had to be in place at the time of purchase.

The Best Rates...

Mortgage interest rates this month show a continuing trend of exceptionally low rates, with our ongoing recommendation for wise borrowers to consider locking into a fixed rate.

Pick of the Bunch
(% loan to property value/price)

60%	2 year fixed	1.04%
60%	5 year fixed	1.29%
60%	7 year fixed	1.49%
60%	2 year tracker	0.99%
85%	2 year tracker	1.34%
85%	2 year fixed	1.39%
85%	5 year fixed	1.73%
90%	2 year tracker	1.94%
90%	2 year fixed	1.89%
90%	5 year fixed	2.04%
95%	2 year fixed	3.79%
95%	5 year fixed	3.89%
60%	BTL 2 year fixed	1.64%
60%	BTL 5 year fixed	2.08%

* Rates correct at time of printing | BTL = Buy to let mortgage.

A CHANGING TREND

Moving thirty years forward, lenders now only recommend, not insist, that life cover be taken out, which has resulted in many borrowers now servicing large mortgages without adequate protection in the event of one of them dying.

Such a large financial commitment does not disappear upon death and with property prices and in turn, the size of mortgages ever increasing, the amount of debt that could pass to the borrower's next of kin can be sizeable.

Failure to arrange cover, could result in the family home having to be sold, to release the funds needed to clear the mortgage balance, adding additional stress to an already unbearable situation.

DEATH IN SERVICE

People can mistakenly rely upon 'death in service cover' provided by their employer. It is important to consider that such cover is unlikely to be guaranteed (should the benefits package be changed, or they move employer) and also worth considering the original purpose of 'death in service cover' being to replace the lost income, to allow the family left behind time to get themselves back on their feet financially.

THE IMPORTANCE OF LIFE COVER

With mortgages usually arranged upon the borrowing capacity of a couple, if one of

them were to die and their income therefore cease, the survivor is most often unable to restructure the mortgage based on their sole income.

Equally, if one spouse is the main earner and the other a housewife / house husband, in the event of the breadwinner's death, there may be no ongoing income to support the mortgage.

This is where life cover proves to be vital. Having adequate cover in place, to ensure that in event of a death, sufficient funds are available to allow the surviving spouse / next of kin to clear the outstanding mortgage. A simple life cover plan can ensure any financial burden is removed, allowing time to focus on rebuilding their life, which can be a slow and painful process.

It is equally important to obtain professional advice locally when arranging cover, as with few insurers able to offer life assurance to Jersey residents, it is essential that any policy is sufficient and appropriate for your needs.

Should you want to consider life cover options, for any new or existing mortgage, Henley Financial, a long-standing subsidiary of The Mortgage Shop, is able to offer independent financial advice on this area. You can call 789830, or email info@henleyfinancial.je – you may be surprised at how cost effective the cover can be.



the mortgage shop

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