

# INTEREST-ONLY MORTGAGES – ARE THEY RIGHT FOR YOU?

An interest-only mortgage means you pay only the interest for a set period, without reducing the loan's principal. This option is suitable for certain borrowers but comes with risks.

Interest-only mortgages are best suited for those with strong incomes and clear repayment plans.

## 1. WHO QUALIFIES?

- Most lenders require:
  - £75,000+ annual income (single applicant), or
  - £100,000+ joint income (couple).
- You must have a clear plan for repaying the principal later.



## 2. KEY BENEFITS

- Lower initial payments – frees up cash flow for other expenses or investments.
- Short-term flexibility – ideal if you plan to sell the property or expect a big income boost.
- Potential property appreciation – you could benefit if your home value rises.

## 3. RISKS TO CONSIDER

- No equity build-up – you won't reduce the loan balance unless the property value increases.
- Future affordability – payments will jump when the interest-only period ends.
- Market risk – property values can drop, leaving you with less security.

## 4. IS IT RIGHT FOR YOU?

- Consider your long-term financial stability and ability to handle higher payments later.
- Speak to us to explore repayment strategies.

**We're here to support you every step of the way. Just get in touch and we'll take care of the rest!**