

RIGHT CLICK'S
**JARGON
BUSTER**

rightclick



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Accidental Death Benefit

INSURANCE

Connected to Life Insurance, the Accidental Death Benefit covers you if you were to die unexpectedly. It does not cover disease, illnesses, self-harm or a death resulting from dangerous behaviour.

Agreement in Principle

MORTGAGES

After meeting with your Mortgage Advisor, they will give you an Agreement in Principle which confirms the amount that you are able to lend for your mortgage. It lasts for 90 days and is attractive to sellers - it shows your ready and willing!

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Annual Percentage Rate

MORTGAGES

Often referred to as APR, the Annual Percentage Rate is what lenders provide to detail the true cost of borrowing. It takes into account everything from the amount of the loan, interest rates to discount points and any additional fees.

Arrangement Fee

MORTGAGES

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Base Rate

MORTGAGES

The Base Rate is something that you will hear most often with Variable-Rate Mortgages. The Base Rate itself is determined by the Bank of England. Mortgage companies often set their own Standard Variable Rates based on the official figure. Tracker Mortgages specifically track the rate set by the Bank of England.

Capital

MORTGAGES | INSURANCE

Capital is simply the word used for the amount of money that you have borrowed from your lender to purchase the property.

Capped Rate

MORTGAGES

A Capped-Rate Mortgage is a type of Variable-Rate Mortgage except the interest rate is capped by your lender, so your payments never exceed that figure.

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Cash-Back Mortgage

MORTGAGES

A type of mortgage that will pay out a lump sum in cash upfront. The amount is often a percentage of your overall mortgage. Most often offered as an incentive to entice clients.

Collar Rate

MORTGAGES | INSURANCE

A Collar Rate is the opposite of a Capped Rate, it's an interest rate that is capped by your lender so your interest rate cannot fall below that figure.

Completion

MORTGAGES

Most often heard in estate agency terms, a 'Completion' is when the sale of a property has gone through and you are now the legal owner.

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Conveyancing

MORTGAGES

Conveyancing covers all the legal aspects of property ownership. When selling or buying a property, a specialist solicitor called a Conveyancer can be instructed to oversee the process of transferring the legal ownership from seller to buyer.

Decreasing Life Insurance

MORTGAGES | INSURANCE

Decreasing Life Insurance is a type of Life Insurance that is designed to pay off your mortgage in the event of your death. The amount of cover decreases throughout the policy, in line with your mortgage payments.

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Early Repayment Charges

MORTGAGES

Most mortgages offer the option for early repayment, however, some lenders charge a fee for this benefit - the Early Repayment Charge. It's important to consider this if you can see yourself regularly making over payments.

Equity

MORTGAGES

What you own from the deposit that you put down to what you have paid off the mortgage.

Exchange

MORTGAGES

When buyers and sellers officially exchange contracts making the deal legally binding.

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Family Income Benefit

INSURANCE

The Family Income Benefit is a type of policy that provides a tax-free monthly payment, like income, to the household after the policy holder has died. A popular policy for parents with young children.

Fixed-Rate Mortgage

MORTGAGES

A type of mortgage in which the rates stay the same throughout the initial mortgage deal.

Flexible Mortgage

MORTGAGES

Offers flexibility in the terms of payment including overpaying, underpaying and taking payment breaks

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Guaranteed Premiums

INSURANCE

When choosing a policy, you can opt for Guaranteed product which ensures that the premiums remain the same throughout the policy, offering peace of mind knowing how much you will be paying each month during the policy term.

Guarantor

MORTGAGES

This is the person who contractually obliges to pay the debt if the borrow is unable to.

Homeowners Variable Rate

MORTGAGES

The Homeowners Variable Rate is the rate that will apply once the initial rate had ended.

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Index-Linked

INSURANCE

If your insurance policy is index-linked, your premiums and the final sum will increase in line with an index, usually in line with the rate of inflation. This is particularly useful for those who want to ensure the family's payout reflects the the cost of living at the time of your death.

Interest-Only Mortgage

INSURANCE

Unlike other mortgages in which each monthly payment helps towards paying the capital off, interest-only mortgages only pay the interest off. The capital still needs to be paid off at the end of the mortgage deal. Most Buy-to-Let mortgages are offered on an interest-only basis.

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Interest Rate

MORTGAGES

This rate is a percentage that the lender sets on a mortgage for lending. There can be various types of interest rates including Fixed or Variable. A Fixed Rate will remain the same throughout the policy whereas a Variable Rate will fluctuate and can be set by the lender or can be index-linked.

Level- Term Life Insurance

INSURANCE

Level Life Insurance is a type of policy in which premiums are fixed throughout the policy, allowing you to know the exact payout and the term is set for a specific period of time.

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Life Insurance

INSURANCE

A type of insurance policy that pays out a lump sum if you were to die within the policy term. Your premium depends on your personal circumstances, how long you'd like the policy to last and level of cover. Most popular with people who have children and want their mortgage to be paid off in the event of their death.

Loan-to-Value Ratio

MORTGAGE

The loan-to-value ratio represents the amount the lender is willing to lend you in relation to the value of the house. Represented as a percentage, the lower the number, the better mortgage rates you will be able to get.

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Lump-Sum

INSURANCE

When an insurance policy pays out a lump-sum, it will pay just one payment out in one go.

Mortgage Term

MORTGAGE

The length of time you have your mortgage policy for.

New Build Property

MORTGAGE

A New Build Property can be defined as one of three things:

- A property which has been built within the last two years
- A property that has yet to be occupied
- A property that has been converted or renovated before being sold.

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Overpayment

MORTGAGE

When a person opts to make a larger payment on their usual monthly premiums. Only available on certain mortgage deals. Usually available on policies that also allow borrowers to take Payment Holidays.

Porting

MORTGAGE

The term for when you sell your property and keep the same mortgage deal on your new home.

Premiums

MORTGAGE | INSURANCE

The amount paid either monthly or annual to your provider

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Remortgage

MORTGAGE

Remortgaging is when you take out a new mortgage with a different lender on your current property. There are various reasons as to why people remortgage, some have to at the end of their current deal and others want to find a better rate that suits their current circumstances.

Sum

MORTGAGE

The total amount that you will receive on payout of a life insurance policy.

Survey

MORTGAGE

A survey is what is carried out by a trained Surveyor as part of the buying process to assess the assets of the property.

Mortgage companies often provide their own Surveyor to ensure the loan lent is sufficient to cover the property value.

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Term Insurance

INSURANCE

Term Insurance is a type of insurance that lasts for a specific amount of time. For example, if your life insurance policy is set to run for 25 years, if you do not pass away within that term, then you will not receive a payout.

Tracker Rate Mortgage

MORTGAGE

A type of Variable Rate Mortgage that moves in line with a nominated Interest Rate, usually the Bank of England's base rate. Never matching the rates that they track but are usually slightly higher.

Please note for these insurance products terms and conditions apply. This information is a summary only. You will receive a full policy document upon application. This policy will set out the terms, conditions and limitations of cover provided under the plan

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