

GUIDE TO PROPERTY FINANCE FOR EXPATS



**JOHN
CHARCOL™**
INDEPENDENT
MORTGAGE EXPERTISE

LIVING OVERSEAS CAN BE A GREAT MOVE, WHEN YOUNGER, FOR YOUR CAREER, FAMILY LIFE AND AS A CULTURAL EXPERIENCE. EQUALLY AS YOU GET OLDER YOU MAY HAVE DECIDED TO RETIRE ABROAD TO ENJOY THE YEAR ROUND SUN.

Whatever your reasons you'll no doubt be aware that moving abroad will have affected your finances in relation to any mortgaged property you own in the UK. The whys and whatfors of these changes can be a bit confusing so our aim at John Charcol is to help you manage your mortgage while you're living abroad or before you decide to move.

In this guide, we'll take you through everything you should be aware of and prepare yourself for when looking to arrange an expat mortgage or remortgage in the UK.

96%
OF OUR CLIENTS
RECOMMEND US ON*
 **REVIEWS**

*Correct as of Dec 2018



WHO DO WE MEAN BY 'EXPATS'

At John Charcol we can help a range of clients we would consider to be expats, or expatriates to give it its full name.

An expat is a UK citizen now living or intending to live overseas with or without a property in the UK.

Expats can be employed, self-employed or fixed term contractors.

We can help clients in a number of scenarios, from those working abroad but with immediate family still living in the UK or those working abroad and renting out their UK property. Whatever your property goals and regardless of whether you're looking at residential or buy to let mortgages, our experts can help.

HOW DO EXPAT MORTGAGES DIFFER FROM OTHER 'DOMESTIC' MORTGAGES?

For a start, it can be harder to get a mortgage as an expat. Many 'high street' lenders won't approve mortgages for expats, however there are some specialist lenders out there who will.

Typical mortgage providers tend not to lend to expats because they're not set up to follow standard procedures to assess the borrower's overseas financial stability.

For example, many lenders are unable to run a credit check on those living abroad and therefore can't ascertain if they have a good credit history. Furthermore, lenders must factor in that you are unlikely to be paid in Sterling, and therefore any money you send back to the UK to pay your mortgage will be subject to currency fluctuations and transfer fees – all of which could affect your ability to repay your mortgage. It's also fair to say that most expats won't be paying UK income tax which is a requirement of the majority of domestic lenders. For all these reasons, many 'high street' lenders see expats as high risk and don't approve mortgages for them.





WITH REGARD TO TAXES RELATING TO YOUR UK PROPERTY, IT'S IMPORTANT TO NOTE THAT YOU MAY STILL BE LIABLE TO PAY TAXES SUCH AS INCOME TAX ON YOUR RENTAL INCOME AND CAPITAL GAINS TAX IF YOU'RE SELLING YOUR PROPERTY WHILE ABROAD. WE RECOMMEND YOU SPEAK TO A SPECIALIST TAX ADVISER WHO CAN GIVE YOU THE FULL PICTURE.

IT'S ALSO IMPORTANT TO NOTE THAT EXPAT MORTGAGES NORMALLY HAVE A SLIGHTLY HIGHER RATE OF INTEREST COMPARED TO DOMESTIC MORTGAGES TO REFLECT THE INCREASED RISK INVOLVED IN LENDING TO EXPATS.



HOW YOU CAN INCREASE YOUR CHANCES OF OBTAINING A MORTGAGE AS AN EXPAT

Firstly, you should seek the advice of a mortgage broker who can find specialist mortgage providers and present you with the options available to you.

Next, it helps to maintain a strong credit footprint in the UK. If you already have credit cards or current accounts in the UK, it's a good idea to keep these accounts open. If possible, it also helps to have an address you can use for any correspondence.

HOW WE CAN HELP YOU

If you are interested in applying for a mortgage, or are looking for advice on your personal situation, call us to set up a free consultation with one of our expert advisers. We'll guide you through the process and answer any questions you might have.

- We can access a wealth of 'expat' lenders and private banks that have access to loans for expats up to and in excess of £1 million.
- We can help arrange expat mortgages that take into account structures like family trusts, offshore investments, and international wealth and multi-currency income profiles.
- We have experienced a large number of scenarios including residential/buy to let purchases, properties with family still living in them and properties for ex-pats to use as a holiday home back in the UK just for themselves. Chances are your situation is going to be similar to one we have already encountered and placed successfully.

Our team will work at a speed suited to your international lifestyle, and are familiar in dealing with customers across several time zones.





INDEPENDENT MORTGAGE EXPERTISE

Helping you get the mortgage you
need to live in the home you love

Call us on: **0333 363 6080**

or visit: charcol.co.uk

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YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE