

Financial Terminology: Jargon Buster S - Z

S 1. Self-certification Should your income be difficult for a lender to assess through normal methods, you may need a self-certification mortgage. If you receive high bonuses, or work seasonally or on commission, or are self-employed this may be your only option. You will declare your income, usually backed up by a certificate from your accountant if you have one. Lenders want to see as much guaranteed income as possible. To compensate the lender for the increased risk on this mortgage, you are likely to be charged a higher interest rate for it.

2. Stamp duty A government tax payable on exchange of contracts on properties of a certain value.

3. Secured loan Loan providers may offer lower interest rates if you secure a loan against your home. This means the lender will have a claim against your home if you default on the loan payments.

4. Standing order A regular payment of a specified amount to a named payee, made by a bank on your instruction.

5. Subject to contract This phrase is used before the exchange of contracts allowing either party to withdraw without incurring a penalty.

6. Surveyor The person qualified by the Royal Institution of Chartered Surveyors to carry out valuations and surveys of properties.

T 1. Term Also called repayment period, this is the time it takes to pay back the loan. A shorter period means higher monthly payments (there are fewer months over which to spread them), but less interest paid in total on the loan.

2. Terms and conditions The 'rules' that you and the loan provider agree to abide by, should you take up the offer of a personal loan. You must formally accept these Terms and Conditions, in the form of your signature, before any loan account can be opened for you.

3. Tie in term The period of time you would need to remain on certain mortgage terms to avoid an early repayment charge.

4. Title deeds/title documents The legal documents that proves of ownership of a property.

U 1. Unsecured loan Most personal loans are unsecured loans. This means that the loan provider does not have a particular asset, such as your home, to reclaim if you should stop payments on the loan before it was paid back. However, the lender may still have a rightful claim on any of your possessions up to the loan amount should you not be able to repay the loan.

V 1. Valuation This is when the lender makes a simple check of a property carried out in order to find out how much it is really worth and thus whether the bank should lend money to buy the property. The Borrower usually pays the bill, and will usually receive a copy of the report.

2. Value-added service Additional services available to you as a result of taking up a loan. These are offered by the loan provider to enhance the value of the loan to you.

3. Variable rate This is when the interest rate that you pay on your mortgage goes up and down depending on the lender's standard variable rate, with your interest payments changing accordingly on your mortgage.

4. Vendor The person(s) you are buying your new home from.

W 1. Write-off The removal of an account from a loan provider's books. When an account is written off, the loan provider absorbs the outstanding balance as a loss. This is also referred to as a "charge-off".

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