Article Side

Contractor Mortgages for a Limited Company Contractor by Mike Nielson

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Too many Contractors are being put off of homeownership because of the perceived difficulty of obtaining Contractor mortgages in todayâ€™s housing market.

Often limited company Contractors are told they need to provide the last three years accounts in order to secure lending on the high street but this can present problems for those who work as tax efficiently as possible or are relatively new to contracting and therefore have less than the required number of years of trading history.

Even if you do have three years of accounts to show the lender, these will rarely show the true extent of your income (if your accountant has been doing their job properly!) and as such you will be limited as to what you can borrow.

All is not lost however, as there are specialist Contractor mortgages available which are tailored to your unique working status and are based not on your accounts, but on a multiple of your annualised contract rate instead.

These Contractor mortgages allow you to borrow far more than a conventional self employed mortgage because they are calculated without taking in to account any of the tax saving methods, such as pension contributions, that you might be employing to minimise your income.

The contract rate gives a true reflection of your earnings for the year and with the average contractor mortgage offering between four and five times annualised contract rate, that dream house may suddenly be within reach.

You may be sceptical as to the type of lender who would offer these Contractor mortgages but thanks to the work of Independent Financial Advisers ContractorFinancials, they are available from some of the largest high street lenders.

This means that you not only have access to increased borrowing potential but you also benefit from the same rates and Loan to Value deals as your permanent colleagues.

Unfortunately, these Contractor mortgages are not easily available when you approach the lender directly at your high street branch and this is often the mistake that ltd company owners make when applying for a mortgage.

With credit ratings playing a bigger part than ever in mortgage approvals, any failed applications can have a significant impact on your ability to successfully secure a mortgage loan so it is vital that Contractors make their first application the right one.

A Contractor specialist IFA will make sure your application is correctly packaged and lands on the desk of a key decision maker within the lenders centralised processing unit to ensure it is accepted first time.

When you apply for your Contractor mortgage, you will need a copy of your current signed contract, photo ID, a utility bill and your last three months bank statements.

As long as you have all of these items to hand, your application should be processed quickly and an agreement in principle from the lender is often received within an hour of your initial application.

The whole process of arranging Contractor mortgages normally takes between three and six weeks so you could be in your new home sooner than you may think!

To find out more about Contractor mortgages or to see how much you could borrow based on your contract rate, fill in a contact form here link to http://www.itcontractor.com/Services/computercontractor_mortgages.asp

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Please visit: http://www.itcontractor.com/

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