



# Re-mortgaging and further borrowing

## Equity Loan Holders





# Your guide to re-mortgaging and further borrowing

It couldn't be easier to re-mortgage, or further borrow, but we'll usually need to be involved. We have a financial interest in your home and must make sure this is protected under your new mortgage.

As long as your lender is a Qualifying Lending Institution, we can consider your application. If you're borrowing equal to or less than your original mortgage, we will need to approve the re-mortgage.

But if you want to borrow more than your original mortgage amount, this is classed as further borrowing and will need to be assessed.

If your home has decreased in value, we'll need to look into the new amount to be borrowed.

Customers are free to remortgage when they need, but they are only able to further borrow:

- to pay for repairs
- to buy a partner out in a transfer of equity.
- to complete home improvements to your home (Equity Loan Only)





## So, what’s the difference?

Re-mortgaging is simply moving your existing mortgage to a new lender. For example, to get a better interest rate. We consider any amount below your original mortgage to be re-mortgaging. Anything more than this is called further borrowing.

## How do I re-mortgage?

**You’ll need:**

- to complete an application form
- your current mortgage redemption statement
- your new mortgage offer
- processing fee (please see the fee schedule for current fees).

Please note, the mortgage must reflect the details of the current homeowners.

Once we’ve received your application form and other paperwork, we’ll review it and assess whether further borrowing is needed. If there’s no further borrowing, we’ll review the mortgage offer, checking that it meets the criteria.

If the offer is approved, we’ll complete the paperwork to satisfy the lender and return this to your Solicitor. On completion, your Solicitor will arrange for release of funds.

## How do I further borrow?

**You’ll need:**

- to complete an application form
- certified ID(s)
- your current mortgage redemption statement
- your new mortgage offer
- processing fee.

Please note, the mortgage must reflect the details of the current homeowner.

Once we’ve received your application form and other paperwork, we’ll review it and assess whether further borrowing is needed. If you need to further borrow for repairs or improvements, you’ll need to provide evidence of this. If you’re further borrowing, a RICS (Royal Institute of Chartered Surveyors) valuation will need to be carried out. We’ll then work out the maximum further borrowing allowed and assess the reasons for this. If your further borrowing meets the criteria, initial approval will be provided.

If the offer is approved, we’ll complete the paperwork to satisfy the lender and return this to your Solicitor. On completion, your Solicitor will arrange for release of funds.

## Important things to remember

If you are further borrowing, the amount you can borrow is limited by a head room calculation based on the remaining equity held in the property.

**Here is an example of how this is calculated:**

Mortgage Redemption amount .....	£100,000
Property Value.....	£300,000
Equity Loan % share.....	20%
Remaining Share value.....	(£300,000 x 20%) £60,000
Equity available: .....	(£300,000 - £60,000 - £100,000) £140,000
Maximum allowed to borrow (75% of the equity) .....	(£140,000 x 75%) £105,000
Maximum amount that can be borrowed.....	(£105,000 + £100,000) £205,000

You’ll need a RICS valuation report if you’re hoping to further borrow. This can be provided by your bank or lender, as long as a copy of the report is shared and has all the information we need. If they don’t share this with us, you’ll need to get your own report. The report must contain:

- Surveyor’s name and surveying firm
- signature or signature number of the Surveyor
- Surveyor’s RICS/FRICS registration number
- buildings Insurance rebuild value
- open market value of the property
- three comparable sales as evidence.

You’ll need to pay a fee to Abri before we can approve your application. You can do this over the phone. You’ll need to factor in any fees associated with your re-mortgage. This includes legal fees, mortgage arrangement fees and the processing fee.



Approval for a remortgage or further borrowing to consolidate debt will not be approved. If you find yourself in financial difficulty, please do contact us on as soon as possible so we can discuss options. You may also wish to talk to other organisations such as:

- **Citizens Advice**  
[www.citizensadvice.org.uk/](http://www.citizensadvice.org.uk/)
- **Money Helper**  
[www.moneyhelper.org.uk/en](http://www.moneyhelper.org.uk/en)
- **Step Change**  
[www.stepchange.org/](http://www.stepchange.org/)

## Get in touch

0800 145 6663

[abri.co.uk](https://abri.co.uk)

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