

Not sure which type of mortgage is right for you?

If terms like fixed-rate, tracker, repayment or interest-only mortgages feel confusing, you're not alone. Mortgages come in many forms, each with their own benefits and considerations, and the right choice will depend on your individual situation.



The good news is there's no need to figure it all out on your own. At Mortgages by Wellesley, we believe good mortgage advice should feel supportive, transparent and tailored to you.

Every mortgage option has its pros and things to consider, and what works well for one person may not be right for another. Our job is to explain things clearly, answer your questions and help you make an informed decision that suits both your current position and your longer-term plans.

So if you're wondering what types of mortgages are available, read on to explore your options...

How your mortgage repayments work

Before you decide on your mortgage, you'll need to choose how you want to pay it each month. There are two main repayment methods:

- **Repayment mortgage:** Your monthly payments go towards both the amount you've borrowed and the interest. Keep up with payments throughout the term and, by the end, your mortgage will be fully paid off – time to celebrate!
- **Interest-only mortgage:** Your monthly payments will only cover the interest, not the capital. This keeps monthly payments lower, but you'll still owe the original amount at the end of the mortgage term, so you'll need a clear plan in place – such as savings or investments – to cover this.

Mortgage rate options explained

If you go with a repayment mortgage, the next choice is how your interest rate is set.

- **Fixed rate mortgage:** Your interest rate – and therefore your monthly payment – stays the same for a set period. This stability can make budgeting easier and provides reassurance against changes to the Bank of England base rate.
- **Tracker mortgage:** The interest rate follows the Bank of England base rate, plus an agreed margin. As the base rate rises or falls, your monthly payments will adjust accordingly.

Other mortgage types to consider

One of these alternatives might be worth considering.

- **Offset mortgage:** Your mortgage is linked to a savings or current account. The balance in that account is offset against your mortgage, reducing the interest you pay. The trade-off is that your savings usually won't earn interest.
- **Standard Variable Rate (SVR):** Once a fixed or tracker deal ends, most mortgages revert to the lender's SVR. This rate can change at the lender's discretion and often moves in line with the base rate.

Finding the right mortgage for you

Which mortgage type is best for me? Is a fixed rate mortgage or tracker mortgage best this year? What are the best types of first-time buyer mortgages? These are all questions we often hear at Wellesley.

Choosing a mortgage is a long-term financial commitment, and it's important to feel confident in your decision. If you're unsure which option best fits your circumstances, that's where expert advice can make a real difference.

That's where we come in.

We'll take the time to understand your needs and help identify the most suitable mortgage solution for you. Our advice is designed to suit a wide range of needs and circumstances, giving you access to an extensive selection of mortgage products from both high street and specialist lenders.

Get in touch today to arrange a no-obligation initial conversation with the Mortgages by Wellesley team today.

Your home may be repossessed if you do not keep up repayments on your mortgage.