Advice for first time buyers on securing that first mortgage

How do I get my first mortgage?

Applying for a first mortgage will always be a nerve racking experience, but in the aftermath of a financial crash caused largely by mortgages being far too easily available, it can seem like an especially daunting task. The economic climate is changing, however, with more emphasis being placed on enabling young professionals and families to buy their own property and less of a focus on avoiding subprime mortgages. With funding available from The Scottish Government, a brightening economic outlook and many large banks reporting healthier balance sheets, the climate is becoming less hostile for those seeking a first mortgage.

Considering how lenders will score your application is one of the early considerations of first time mortgage applicants. Your credit score is put together by potential lenders using information which you provide them with in making your application, as well as with other details regarding your employment status, your personal credit report (which will be held by one of the three large credit rating agencies) and other policy rules specific to the product. It is especially important for first time applications – follow link for a good breakdown from Experian as to why.

There are several key factors that will be considered by lenders when viewing your application, some of which a first time buyer can do little about. Your employment status, for example, is one of the first things that a potential lender will look at. They will tend to view self-employed individuals with a little more caution that those who instead have worked in a contracted position for a sustained length of time. The same is true of residency – you're having stayed in the same property for over a year represents a bright green tick for lenders. Essentially, they are looking for evidence that a loan application is a safe bet. They want to see evidence of stability and will be worried by uncertainties that might impact on an applicant's ability to repay credit.

Here, however, there are opportunities to prepare in advance for a mortgage application. Things as simple as ensuring utilities bills are always paid on time will reassure lenders, as will other signs of stability such as registering to vote. There are other aspects, such as perhaps an applicant being self-employed, which cannot be 'optimised'. Here it would be self-defeating to attempt to do so – it is perfectly acceptable to strike a balance between building up a positive credit history and pursuing your own lifestyle path.

With all the financial matters to consider, it is easy to forget about the logistical and personal sides of moving. These should be enjoyable and while it all takes planning, there is plenty of advice out there (such as this useful and very readable Channel 4 guide).

Finally, there are the lenders themselves. The more solid and reputable a mortgage lender, the better. This applies for smaller loans as well, of course – at all costs avoid using payday lenders who, apart from the raft of personal problems they create, damage a person's credit score.

In fact, all things considered, a mortgage applicant should generally approach their potential loan with roughly the same caution as the lenders do.