

Introduction to Mortgages Factsheet

Introduction to Mortgages can be taken as part of the wider Introduction to Products Series, which also covers Protection, Retirement and Savings and Investments. It is ideal for new recruits to a firm to give them an introduction into mortgage products and their uses.

1. Overview

Repayment Or Interest Only: What Do You Think?

Which of the following statements about repayment and interest only mortgages are correct?
Select two or more options then click the **Confirm** button.

- An interest only mortgage means that only the interest is paid throughout the mortgage term, and the capital is paid at the end of the term.
- Both repayment and interest only mortgages can provide property equity.
- With a repayment mortgage, the loan is paid back gradually every month, along with the interest.
- Even if you make all the repayments, at the end of the term a repayment loan is not guaranteed to be paid off.
- Interest only mortgages will require a repayment method to be put in place.



Confirm

That's not quite right. All the statements are true except for option 4. If you make all the repayments, a repayment loan is guaranteed to be paid off by the end of the term.

Click the **Next** button to continue through the course.

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Programme outline

Introduction to Mortgages consists of six main areas:

- Overview of mortgages - the different types of mortgages available and how they work (24 mins)
- Repayment mortgages – how they work and different options (11 mins)
- Endowments – features (18 mins)
- Interest only: Pension & ISAs (13 mins)
- Protecting payments – income and critical/serious illness cover (12 mins)
- Regulation of mortgages – who regulates, what it is and why (4 mins)

Topics include:

- How mortgages can be used to accumulate capital and why
- Features of term assurance
- Decreasing and level terms
- Role of main industry bodies in regulation of mortgages
- Risk

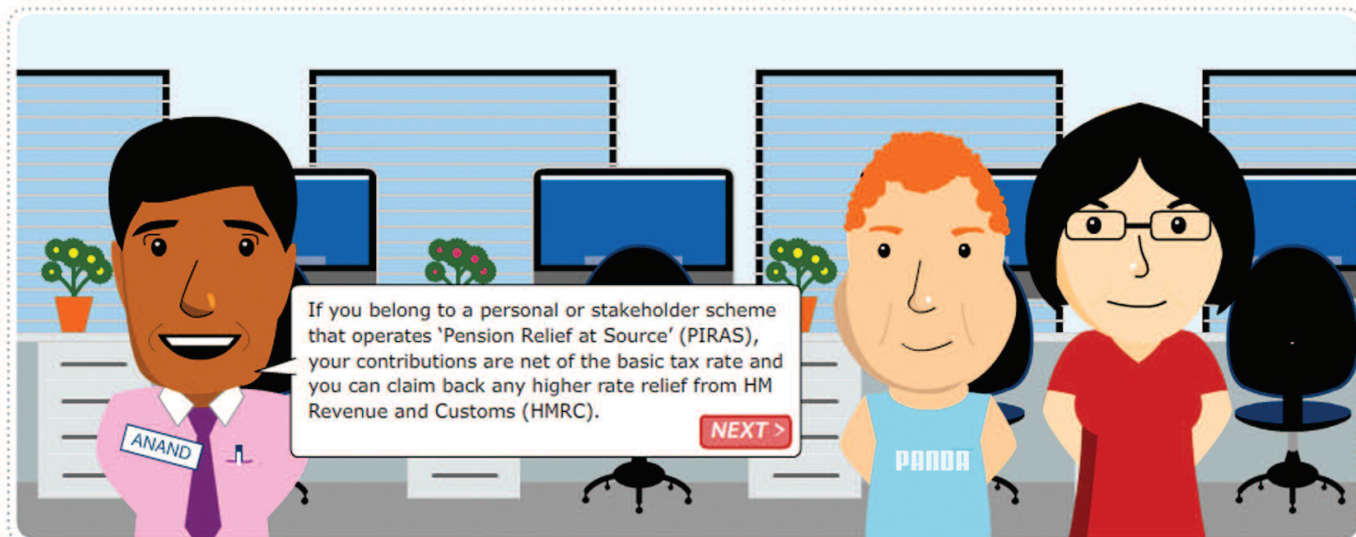
Length of programme: 82 minutes

4. Interest Only : Pensions and ISAs

Pension Mortgages: How Does Tax On Pensions Work?

Clive and Maggie didn't realise that in addition to a tax free cash lump sum, contributions to a pension plan are also eligible for tax relief. Anand explains this further.

Click the **Play** button in the image to begin the conversation.



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Unique features

Scenario based – Bruce and Lisa are buying their first home. Clive, Bruce's brother, and his friend Chris give them advice. The learner follows Bruce and Lisa as they plan to buy their first house, exploring their different mortgage options and finding out all they need to know to get a mortgage. Bruce and Lisa go to see Anand to discuss borrowing capacity, interest rate options, mortgage lender fees and costs.

Clive and Maggie want to sell their house and they have an endowment mortgage which they undertake research on. They have looked on an internet forum which contains advice from people about unit linked endowment policies. They meet with Anand to discuss their options. As Clive has a personal pension fund and they have an ISA they consider these as options for paying off part of the mortgage if the endowment falls short. Anand also gives them advice on the different types of pensions and payment protection plans.

This refreshing and lively approach enables learners to gain knowledge from learning materials based on real life situations.

Benefits for employers

- An employee's record of completion demonstrates an organisation's commitment to the rules and regulations imposed by the regulators concerning the selling and servicing of financial services products
- It is developed by the industry for the industry
- As it is an online programme, employees are able to access learning around their work commitments

- Short, online assessments continually test and reinforce employees' learning, allowing employers to be confident that staff have retained essential information

Benefits for employees

- Enables employees to gain the confidence which will help them to perform their role more effectively and improve customer service

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The National Skills Academy

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