

AToM launches first-time buyer help

BY GRANT BATHER | All Types of Mortgages (AToM) has launched a product aimed at first-time buyers (FTBs).

Funded by Rooftop Mortgages, the rent-to buy product has been designed for FTBs who are able to prove they have been successfully renting for the last 12 months. Based on this, AToM will offer a mortgage loan based on the applicant's monthly rental repayments.

Available at 6 per cent, the two-year fixed rate product allows income multiples of 5.5 for single applicant, 3.75 times income for joint applicants. The product has no overhanging early repayment charges (ERCs) and has a minimum loan of £25,001, with the maximum set

at £250,000.

Dale Jannels, sales and marketing director at AToM, believed the product would revolutionise the FTB market and help to attract more potential buyers to the market. He said: "With the average property costing in the region of £174,000 and house prices continuing to rise in relation to earnings, more and more first-time buyers are priced out of the market. This product aims to fill that gap and will assist a number of first-time buyers making the transition from renting to ownership.

He confirmed the product had attracted a lot of interest



Dale Jannels, sales and marketing director, AToM

from a number of intermediaries in the run up to its launch.

The product will be piloted through AToM, before being rolled out to all Professional Mortgage Packager Alliance (PMPA) members over the coming months.

Peter O'Donovan, mortgage manager at Bestinvest, said: "The proposition is a good idea. The 6 per cent is quite high, but if they can drop it by at least half a per cent then it would be a very good product. Some people are potentially paying more in rent than they would a mortgage so this seems like a good idea."