

High LTV mortgages offer biggest savings for borrowers

~ 90% LTV five year Tracker 13% cheaper than July 2015 ~

~ 2yr Fixed and Tracker mortgages (90% LTV) 6% lower ~

~ Cost reduction can equate to an annual saving of £1,206pa on a £150k mortgage ~

UK, July 14, 2016: First time buyers or borrowers with a 10% deposit are set to benefit the most from the current reductions in mortgage costs, according to the latest figures from Mortgage Brain's quarterly product data analysis.

Mortgage Brain's product data – as of 1st July 2016 – shows that the cost of a two year Fixed mortgage with a 90% LTV is now 6% lower than it was this time last year. With a current rate of 2.79% over two years, the reduction in cost for this product equates to a potential annual saving of £504 on a £150k mortgage.

Similarly, a 90% LTV two year Tracker (at 2.54% over two years) has also seen a 6% reduction in cost over the past 12 months, equating to an annual saving of £468.

The biggest saving, however, comes in the shape of a five year Tracker with a 90% LTV, which, with a current rate of 2.55%, is now 13% cheaper than it was in July 2015 and equates to a potential £1,206 annualised saving.

The majority of 60% LTV mortgages, by comparison, have remained the same or increased in cost over the same period. A two year Fixed product with a rate of 1.89%, for example, now costs almost 2% more than it did this time last year, while a 90% LTV five year Fixed has seen no change in cost when compared to July 2015.

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There are some positives for those with bigger deposits, however. The cost of the lowest rate five year Tracker with a 60% LTV is now 7% lower than it was 12 months ago and offers borrowers a potential annual saving of £630 on a £150k mortgage.

The difference in cost between LTV bands has also reduced with Mortgage Brain's latest data showing that the lowest 90% two year Fixed costs just 5% more than the same product with a 60% LTV. This time last year the difference in cost between the two was almost 13%.

Mark Loffhouse, CEO of Mortgage Brain, comments, "Despite the Bank of England confirming that the UK's main interest rate will be held at 0.5% there is still a lot of uncertainty about rate movement and the cost of borrowing following Britain's decision to leave the EU. A rush of rate cuts is still predicted and our month on month analysis validates this with the cost of mortgages falling slightly compared to last month.

"Our longer term analysis, however, clearly shows that homeowners - particularly first time buyers or those with low deposits - are in a very good position to benefit from the current reductions in the cost of mortgages."

- Ends -

Table 1: Monthly cost (£) per £1,000 borrowed (2, 5 year Fixed and Tracker).

Mortgage Product Data – Supplied by Mortgage Brain												
(Monthly cost (£) per £1,000 borrowed – repayment for a £180,000 property)												
Product	1/7/15	1/10/15	1/1/16	1/4/16	1/7/16	3mth change	3mth change (%)	6mth change	6mth change (%)	12mth change	12mth change (%)	Difference to 60% LTV
2 Year Fixed 60%	£4.03	£3.92	£4.02	£4.09	£4.09	£0.00	0.00%	£0.07	1.74%	£0.06	1.49%	n/a
2 Year Fixed 90%	£4.60	£4.57	£4.39	£4.39	£4.32	-£0.07	-1.59%	-£0.07	-1.59%	-£0.28	-6.09%	9.20%
2 Year Tracker 60%	£4.07	£3.99	£4.02	£3.98	£4.02	£0.04	1.01%	£0.00	0.00%	-£0.05	-1.23%	n/a
2 Year Tracker 90%	£4.45	£4.52	£4.32	£4.32	£4.19	-£0.13	-3.01%	-£0.13	-3.01%	-£0.26	-5.84%	7.46%
5 Year Fixed 60%	£4.35	£4.44	£4.42	£4.38	£4.35	-£0.03	-0.68%	-£0.07	-1.58%	£0.00	0.00%	n/a
5 Year Fixed 90%	£4.62	£4.88	£4.91	£4.84	£4.79	-£0.05	-1.03%	-£0.12	-2.44%	£0.17	3.68%	11.31%
5 Year Tracker 60%	£4.74	£4.74	£4.39	£4.39	£4.39	£0.00	0.00%	£0.00	0.00%	-£0.35	-7.38%	n/a
5 Year Tracker 90%	£5.30	£5.30	£5.30	£4.76	£4.63	-£0.13	-2.73%	-£0.67	-12.64%	-£0.67	-12.64%	20.73%

NOTES TO EDITORS

About Mortgage Brain Limited

- Mortgage Brain Limited is the most widely used and preferred provider of point-of-sale, compliance, mortgage sourcing and online mortgage submission products and services for mortgage intermediaries.
- Mortgage Brain Holdings Limited, formed in 1986, is jointly owned by Barclays, The Lloyds Banking Group, Nationwide, Royal Bank of Scotland, Santander and Virgin Money.
- The consortium of six owners, together with their subsidiaries, collectively account for in excess of 70% of the new business mortgage market within the UK.
- Mortgage Brain Holdings Limited currently has over 20,000 users of its products and services.
- Mortgage Brain is a Microsoft Gold Certified Partner and has won a number of industry awards including the 2010, 2011, 2012 and 2015 Mortgage Strategy 'Best Technology Provider' Award, the Pink Service Award for 'Best Technology Provider', and 'Technology Advocate of the Year' at the 2010, 2011, 2012 and 2013 British Mortgage Awards.

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