

## Mortgage costs show signs of increasing

~ Cost of 90% LTV 2yr Tracker up 8% since October 2016 ~

~ 2yr Fixed (90% LTV) now 5% higher ~

~ Long term analysis still shows strong year on year cost reductions ~

**UK, January 16, 2017:** Following months of record low mortgage rates and costs, recent predictions about possible rises could be starting to crystallise, according to the latest product data analysis from Mortgage Brain.

While its six month analysis shows the cost of mortgages to be levelling out - with a mix of small rise and falls – the past three months have seen increases in the cost of the majority of mainstream products.

Mortgage Brain's product data – as of 1<sup>st</sup> January 2017 – shows that the cost of a two year Tracker with a 90% LTV has gone up by 8% over the past three months. Similarly, a 90% LTV two year Fixed now costs 5% more than it did in October 2016.

Marginal increases of around 1% over the past quarter have also been recorded for 60% LTV two year Tracker and Fixed mortgages, a 60% LTV three and five year Fixed, and a 2% increase for a 90% LTV three year Fixed mortgage.

In monetary terms, the 8% increase for the 90% two year Tracker equates to an annualised increase of £576 on a £150k mortgage, and a £342 annualised increase for the 90% two year Fixed product.

There is still some good news for borrowers, however, with Mortgage Brain's latest data showing that the cost of the lowest rate five year Tracker (60% LTV) is now 18% lower than it was three months ago.

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With a current rate of 1.79%, the reduction in cost for this product equates to a potential annualised saving of £1,674.

Mortgage Brain's longer term analysis also shows strong year on year reductions spanning the past four years. The cost of a 90% LTV two year Tracker, for example, is now 19% lower than it was in January 2013. A 90% LTV two and five year Fixed mortgage are both 17% cheaper, and a 60% two year Tracker and two Year Fixed are both 16% lower than they were four years ago.

Mark Lofthouse, CEO of Mortgage Brain, comments, "It's perhaps still a little too early to predict that mortgage rates are rising and that this trend will continue. However, our latest analysis is starting to show signs that we may finally be moving away from the long period of record lows in terms of mortgage rates and costs to a period of stability, or potentially, rises.

"While our long term analysis still shows that borrowers can benefit from a number of savings, with healthy cost reductions and low rates still available, there has been a clear shift over the past three months with cost rises across the majority of products analysed."

- Ends -

**Table 1: Monthly cost (£) per £1,000 borrowed (2, 3, 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	1/1/16	1/4/16	1/7/16	1/10/16	1/1/17	3mth change	3mth change (%)	6mth change	6mth change (%)	12mth change	12mth change (%)	Difference to 60% LTV
2 Year Fixed 60%	£4.02	£4.09	£4.09	£3.94	£3.98	£0.04	1.02%	-£0.11	-2.69%	-£0.04	-1.00%	n/a
2 Year Fixed 90%	£4.39	£4.39	£4.32	£4.20	£4.39	£0.19	4.52%	£0.07	1.62%	£0.00	0.00%	10.30%
2 Year Tracker 60%	£4.02	£3.98	£4.02	£3.88	£3.93	£0.05	1.29%	-£0.09	-2.24%	-£0.09	-2.24%	n/a
2 Year Tracker 90%	£4.32	£4.32	£4.19	£4.15	£4.47	£0.32	7.71%	£0.28	6.68%	£0.15	3.47%	13.74%
3 Year Fixed 60%	£4.30	£4.24	£4.25	£4.06	£4.10	£0.04	0.99%	-£0.15	-3.53%	-£0.20	-4.65%	n/a
3 Year Fixed 90%	£4.71	£4.71	£4.63	£4.46	£4.53	£0.07	1.57%	-£0.10	-2.16%	-£0.18	-3.82%	10.49%
5 Year Fixed 60%	£4.42	£4.38	£4.35	£4.21	£4.22	£0.01	0.24%	-£0.13	-2.99%	-£0.20	-4.52%	n/a
5 Year Fixed 90%	£4.91	£4.84	£4.79	£4.74	£4.66	-£0.08	-1.69%	-£0.13	-2.71%	-£0.25	-5.09%	10.43%
5 Year Tracker 60%	£4.39	£4.39	£4.39	£5.19	£4.26	-£0.93	-17.92%	-£0.13	-2.96%	-£0.13	-2.96%	n/a

## About Mortgage Brain Limited

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- [Mortgage Brain](#) is an expert in technology and software solutions proactively supporting Lenders, Networks, Corporates and Intermediary Mortgage Advisers.
- Its integrated product suite includes Mortgage, Secured Loan and Conveyancing sourcing - [MortgageBrain Classic](#), [MortgageBrain Anywhere](#), [LoansBrain](#) & [ConveyancingBrain](#), point-of-sale, CRM, compliance system - [the Key](#), online mortgage submission - [Mortgage Trading Exchange \(MTE\)](#), websites, calculators, plugins - [MortgageBrain B2C](#) and Data Analysis & Lending Solutions.
- Mortgage Brain has over 20,000 users of its products and services and is a Microsoft Gold Certified Partner.
- Industry awards include 4 times winner 'Best Technology Provider' at the Mortgage Strategy Awards, the Pink Service Award for 'Best Technology Provider', and 4 times winner of the 'Technology Advocate of the Year' at the British Mortgage Awards.
- Mortgage Brain Holdings Limited, formed in 1986, is jointly owned by Barclays, Lloyds Banking Group, Nationwide, Royal Bank of Scotland, Santander & Virgin Money.

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