

Mortgage product data reveals true cost of mortgages

~ 90% LTV mortgages down in cost compared to three months ago ~

~ 5yr Tracker (60% LTV) 15% cheaper than 12 months ago ~

~ Cost reduction can equate to an annual saving of £1,368pa on a £150k mortgage ~

UK, January 18, 2016: The latest quarterly product data analysis from Mortgage Brain is being used to show the true cost of mortgages and shows that the majority of mainstream 90% LTV mortgages are down in cost compared to three months ago.

The analysis, a breakdown of all main product types in the UK mortgage market (direct and broker) for a repayment mortgage, is calculated by cost per '£000' and shows that the cost of a two year Tracker with a 90% LTV is now 4% lower than it was at the beginning of October 2015.

Similarly, a 90% LTV two year Fixed mortgage (with a rate of 2.94% based on total to pay over two years) also costs 4% less than it did three months ago and is a healthy 11% less than it was in January 2015.

To put these reductions in financial terms, the 4% cost reduction for the two year Fixed product equates to a potential £324 annualised saving on a £150k mortgage over the past quarter, or £990pa when compared to this time last year.

Mortgage Brain's new data also shows cost reductions for the lowest rate three year Fixed and Tracker products with a 90% LTV. However, the biggest saving comes in the form of the lowest rate five year Tracker (60% LTV), which now costs 7% less than it did in October 2015 and equates to an annualised saving of £630 over the past three months or £1,368pa when compared to this time last year.

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By comparison, the lowest rate two year Fixed and Tracker mortgages with a 60% LTV have increased in cost over the past three months, with the lowest two year Fixed up 2% equating to an annualised cost increase of £180 on a £150k mortgage over the past three months.

Mark Loffhouse, CEO of Mortgage Brain, comments, "Our latest product data analysis provides a very clear and concise picture of the true cost of a repayment mortgage and makes like for like comparisons to be made across all mainstream product types.

"There's no doubt that the reduction in cost for the higher LTV mortgages will be welcome news to those with small deposits and it will be interesting to see how the rest of the market plays out over the next few months."

Buy-To-Let market

Savings are also to be seen in the Buy-To-Let market with Mortgage Brain's latest data showing a 2% cost reduction for the lowest rate two and five year Tracker and Fixed rate BTL purchase mortgages with a 60% LTV over the past three months.

The long term analysis makes even better reading for today's potential landlords with the repayment cost of the lowest 80% LTV two year Tracker BTL purchase mortgage now 10% lower than it was this time last year – equating to an annualised saving of £972 on a £150k mortgage.

- Ends -

Full product data table follows:

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Table 2: 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	1/1/15	1/4/15	1/7/15	1/10/15	1/1/16	3mth change	3mth change (%)	6mth change	6mth change (%)	12mth change	12mth change (%)	Difference to 60% LTV
2 Year Fixed 60%	£4.26	£4.10	£4.03	£3.92	£4.02	£0.10	2.55%	-£0.01	-0.25%	-£0.24	-5.63%	n/a
2 Year Fixed 90%	£4.94	£4.89	£4.60	£4.57	£4.39	-£0.18	-3.94%	-£0.21	-4.57%	-£0.55	-11.13%	9.20%
2 Year Tracker 60%	£4.20	£4.04	£4.07	£3.99	£4.02	£0.03	0.75%	-£0.05	-1.23%	-£0.18	-4.29%	n/a
2 Year Tracker 90%	£4.58	£4.52	£4.45	£4.52	£4.32	-£0.20	-4.42%	-£0.13	-2.92%	-£0.26	-5.68%	7.46%
5 Year Fixed 60%	£4.66	£4.47	£4.35	£4.44	£4.42	-£0.02	-0.45%	£0.07	1.61%	-£0.24	-5.15%	n/a
5 Year Fixed 90%	£4.95	£5.20	£4.62	£4.88	£4.91	£0.03	0.61%	£0.29	6.28%	-£0.04	-0.81%	11.31%
5 Year Tracker 60%	£5.15	£5.00	£4.74	£4.74	£4.39	-£0.35	-7.38%	-£0.35	-7.38%	-£0.76	-14.76%	n/a
5 Year Tracker 90%	£5.30	£5.30	£5.30	£5.30	£5.30	£0.00	0.00%	£0.00	0.00%	£0.00	0.00%	n/a
2 yr Fixed 60% BTL	£4.75	£4.66	£4.71	£4.62	£4.53	-£0.09	-1.95%	-£0.18	-3.82%	-£0.22	-4.63%	n/a
2yr Fixed 80% BTL	£5.63	£5.60	£5.43	£5.59	£5.59	£0.00	0.00%	£0.16	2.95%	-£0.04	-0.71%	21.48%
2 yr Tracker 60% BTL	£4.57	£4.50	£4.45	£4.33	£4.38	£0.05	1.15%	-£0.07	-1.57%	-£0.19	-4.16%	n/a
2 yr Tracker 80% BTL	£5.51	£5.08	£5.08	£4.97	£4.97	£0.00	0.00%	-£0.11	-2.17%	-£0.51	-9.808%	13.47%
5 yr Fixed 60% BTL	£5.17	£5.19	£5.19	£5.03	£4.94	-£0.09	-1.79%	-£0.25	-4.82%	-£0.23	-4.45%	n/a
5 yr Fixed 80% BTL	£5.94	£5.81	£5.81	£5.81	£5.79	-£0.02	-0.34%	-£0.02	-0.34%	-£0.15	-2.53%	16.27%
5 yr Tracker 60% BTL	£5.39	£5.39	£5.15	£5.15	£5.05	-£0.10	-1.94%	-£0.10	-1.94%	-£0.34	-6.31%	n/a

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 electronic trading products and services for mortgage intermediaries.
- Mortgage Brain Holdings Limited, formed in 1986, is jointly owned by Barclays Woolwich, 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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