

## PRESS RELEASE

### Fixed rate mortgages see big fall in costs

~ Cost of 90% LTV 2yr Fixed down 8% since January 2018 ~

~ 60% LTV 3yr and 80% LTV 2yr Fixed now 2% down ~

~ Cost reduction equates to annual saving of up to £612 over past 12 months ~

**UK, JANUARY 21, 2018:** Two, three and five year Fixed rate mortgages have all come down in cost over the past 12 months – and witnessed some big reductions compared to five years ago – according to Mortgage Brain's latest product data analysis.

The cost of a 90% LTV, two year Fixed, for example, is now 8% lower than it was this time last year, while a 90% LTV five and three year Fixed, a 60% LTV three year Fixed and an 80% LTV two year Fixed now cost 2% less than they did at the beginning of January 2018.

The Fixed rate market also shows a big improvement in terms of cost compared to five years ago with Mortgage Brain's latest data showing a 24% reduction in cost for the two year Fixed and a 21% and 13% fall in cost for a five and three year Fixed product.

The cost of a two, three and five year 60% LTV Fixed rate product is also down by up to 10% over the same period.

In monetary terms the 8% reduction in cost over the past 12 months equates to an annual saving of £612 on a £150k mortgage. Compared to five years ago, however, borrowers face a potential annual saving of £2,214 for the 90% two year Fixed, and £2,052 and £1,152 for the five and three year products respectively.

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While favourable reductions in cost have been seen over the past 12 months and longer, Mortgage Brain's short-term analysis shows little movement with mortgage costs for the majority of mainstream products remaining static with those offered at the beginning of October 2018.

Of those reviewed, only a two year Tracker saw a movement in cost with a 60% LTV product down by 0.5% and a 70% and 80% LTV product up by the same amount (0.5%).

Mark Loffhouse, CEO of Mortgage Brain, comments, "Our latest product data analysis shows that while there's little to get excited about in terms of rate and cost movement over the past three months, the UK mortgage market has shown some big and favourable improvements over to the past few years.

"With mortgage costs down by up to 24% compared to January 2013, there are still plenty of good deals out there for first time buyers and those looking to remortgage. 2018 saw costs and rates fluctuate, however, and I expect more of the same for 2019."

**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	1/1/18	1/4/18	1/7/18	1/10/18	1/1/19	3mth change	3mth change (%)	6mth change	6mth change (%)	12mth change	12mth change (%)	Difference to 60% LTV
2 Year Fixed 60%	£3.93	£4.01	£3.88	£3.93	£3.93	£0.00	0.00%	£0.05	1.29%	£0.00	0.00%	n/a
2 Year Fixed 70%	£4.00	£4.03	£3.93	£3.98	£3.98	£0.00	0.00%	£0.05	1.27%	-£0.02	-0.50%	2.53%
2 Year Fixed 80%	£4.08	£4.05	£3.97	£4.02	£4.02	£0.00	0.00%	£0.05	1.26%	-£0.06	-1.47%	3.70%
2 Year Fixed 90%	£4.32	£4.25	£3.93	£3.98	£3.98	£0.00	0.00%	£0.05	1.27%	-£0.34	-7.87%	10.89%
2 Year Tracker 60%	£3.98	£3.94	£3.92	£4.06	£4.04	-£0.02	-0.49%	£0.12	3.06%	£0.06	1.51%	n/a
2 year Tracker 70%	£4.07	£3.97	£3.93	£4.07	£4.09	£0.02	0.49%	£0.16	4.07%	£0.02	0.49%	4.83%

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2 Year Tracker 80%	£4.17	£4.04	£3.97	£4.11	£4.13	£0.02	0.49%	£0.16	4.03%	-£0.04	-0.96%	6.11%
2 Year Tracker 90%	£4.35	£4.22	£4.22	£4.33	£4.33	£0.00	0.00%	£0.11	2.61%	-£0.02	-0.46%	16.79%
3 Year Fixed 60%	£4.16	£4.09	£4.04	£4.09	£4.09	£0.00	0.00%	£0.05	1.24%	-£0.07	-1.68%	n/a
3 Year Fixed 70%	£4.18	£4.15	£4.14	£4.14	£4.14	£0.00	0.00%	£0.00	0.00%	-£0.04	-0.96%	0.97%
3 Year Fixed 80%	£4.23	£4.21	£4.19	£4.21	£4.21	£0.00	0.00%	£0.02	0.48%	-£0.02	-0.47%	2.42%
3 Year Fixed 90%	£4.43	£4.39	£4.39	£4.36	£4.36	£0.00	0.00%	-£0.03	-0.68%	-£0.07	-1.58%	9.44%
5 Year Fixed 60%	£4.23	£4.21	£4.16	£4.23	£4.23	£0.00	0.00%	£0.07	1.68%	£0.00	0.00%	n/a
5 Year Fixed 70%	£4.26	£4.28	£4.23	£4.27	£4.27	£0.00	0.00%	£0.04	0.95%	£0.01	0.23%	2.85%
5 Year Fixed 80%	£4.26	£4.29	£4.33	£4.34	£4.34	£0.00	0.00%	£0.01	0.23%	£0.08	1.88%	2.85%
5 Year Fixed 90%	£4.51	£4.52	£4.38	£4.41	£4.41	£0.00	0.00%	£0.03	0.68%	-£0.10	-2.25%	9.50%

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### ABOUT MORTGAGE BRAIN LIMITED:

- [Mortgage Brain](#) is an expert in technology and software solutions proactively supporting Lenders, Networks, Corporates and Intermediary Mortgage Advisers.
- Its integrated product suite includes;
  - First and Second charge, whole of market, online and desktop mortgage sourcing systems [MortgageBrain Classic](#) and [MortgageBrain Anywhere](#)
  - Standalone second charge sourcing website [LoansBrain](#)
  - Case tracking and quoting comparison portal [ConveyancingBrain](#)
  - Point-of-sale, CRM and compliance system with online, secure and customisable client portal [The Key](#)
  - The multi-lender digital gateway, mortgage application platform, accounting for 60% of UK Lending [MTE, Mortgage Trading Exchange](#)
  - Websites, calculators, plugins [MortgageBrain B2C](#)
  - Lead Generation Suite for Advisers, including consumer facing app, website and Amazon Echo Skill [UKMortgages](#)
  - Data Analysis & Lending Solutions.
- Mortgage Brain has over 22,000 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, winner of the Best Sourcing System at the Financial Reporter Awards 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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