

## PRESS RELEASE

## Residential mortgage costs continue to decline in the third quarter of 2019

**UK, OCTOBER 21 2019:** New figures released today from Mortgage Brain's quarterly product data analysis showed a continued decline in the cost of residential mortgage market products.

The research showed a reduction in 60%, 70% and 80% LTVs two-year fixed mortgages in the last three months of between 3.71% and 4.30%. Costs of a mortgage are now 3.23% to 5.60% less expensive than a year ago – equivalent to an annual savings of between £234 and £396 based on a £150,000 mortgage. Five-year fixed mortgages have seen smaller reductions, with rates down 0.46% and 1.63% in the past three months and 1.36% and 3.75% over the last year.

The track record for other products are more mixed. Two year fixed 90% LTV came down slightly by 0.96% in the past three months but are 3.52% more expensive than a year ago. For a £150,000 mortgage, this represents an annual savings and increased cost of £72 and £252, respectively. Five-year fixed rate reductions have been lower than those for two-year fixed rates and are between 0.46% and 1.63% in the last 3 months and 1.36% and 3.75% over the last year.

Finally, two-year tracker mortgages at 60% LTV were 1.27% lower in the last three months with a 4.19% annual drop in costs representing annualised savings of £90 and £306 respectively on a £150,000 mortgage. Looking at two-year tracker mortgages with 70% to 90% LTVs, these have increased in price over the last year by between 1.47% and 4.87% representing an annualised increase of between £108 and £360.

Mark Loffhouse, CEO of Mortgage Brain, comments: "There has been a material reduction in two and five-year fixed rate mortgage costs in the last 12 months with much of this being in the last 3 months - this is great news for customers.

While the broad trend in the cost of residential mortgages remains downward, this depends on the exact product and duration and with so much uncertainty around Brexit and the performance of the economy future trends remain very difficult to predict."

Table 1: Monthly cost (£) per £1,000 borrowed

Product	01/10/2018	01/01/2019	01/04/2019	01/07/2019	01/10/2019	3mth change	3mth change (%)	6mth change	6mth change (%)	12mth change	12mth change (%)	Difference to 60% LTV
2 Year Fixed 60%	£3.93	£3.93	£3.90	£3.86	£3.71	-£0.15	-3.89%	-£0.19	-£0.05	-£0.22	-5.60%	n/a
2 Year Fixed 70%	£3.98	£3.98	£3.97	£3.95	£3.78	-£0.17	-4.30%	-£0.19	-£0.05	-£0.20	-5.03%	1.79%
2 Year Fixed 80%	£4.02	£4.02	£4.04	£4.04	£3.89	-£0.15	-3.71%	-£0.15	-£0.04	-£0.13	-3.23%	3.53%
2 Year Fixed 90%	£3.98	£3.98	£4.17	£4.16	£4.12	-£0.04	-0.96%	-£0.05	-£0.01	£0.14	3.52%	6.67%
2 Year Tracker 60%	£4.06	£4.04	£4.04	£3.94	£3.89	-£0.05	-1.27%	-£0.15	-£0.04	-£0.17	-4.19%	n/a
2 year Tracker 70%	£4.07	£4.09	£4.09	£4.13	£4.13	£0.00	0.00%	£0.04	£0.01	£0.06	1.47%	1.24%
2 Year Tracker 80%	£4.11	£4.13	£4.14	£4.21	£4.31	£0.10	2.38%	£0.17	£0.04	£0.20	4.87%	2.23%
2 Year Tracker 90%	£4.33	£4.33	£4.38	£4.40	£4.40	£0.00	0.00%	£0.02	£0.00	£0.07	1.62%	7.18%
3 Year Fixed 60%	£4.09	£4.09	£4.09	£4.03	£4.01	-£0.02	-0.50%	-£0.08	-£0.02	-£0.08	-1.96%	n/a
3 Year Fixed 70%	£4.14	£4.14	£4.13	£4.09	£4.05	-£0.04	-0.98%	-£0.08	-£0.02	-£0.09	-2.17%	0.98%
3 Year Fixed 80%	£4.21	£4.21	£4.21	£4.21	£4.19	-£0.02	-0.48%	-£0.02	-£0.00	-£0.02	-0.48%	2.93%
3 Year Fixed 90%	£4.36	£4.36	£4.37	£4.31	£4.31	£0.00	0.00%	-£0.06	-£0.01	-£0.05	-1.15%	6.85%
5 Year Fixed 60%	£4.23	£4.23	£4.18	£4.10	£4.08	-£0.02	-0.49%	-£0.10	-£0.02	-£0.15	-3.55%	n/a
5 Year Fixed 70%	£4.27	£4.27	£4.23	£4.15	£4.11	-£0.04	-0.96%	-£0.12	-£0.03	-£0.16	-3.75%	1.20%
5 Year Fixed 80%	£4.34	£4.34	£4.29	£4.29	£4.22	-£0.07	-1.63%	-£0.07	-£0.02	-£0.12	-2.76%	2.63%
5 Year Fixed 90%	£4.41	£4.41	£4.44	£4.37	£4.35	-£0.02	-0.46%	-£0.09	-£0.02	-£0.06	-1.36%	6.46%

## ABOUT MORTGAGE BRAIN LIMITED:

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- 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 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](#)
  - Criteria mortgage sourcing – [Criteria Hub](#)
  - Affordability sourcing - [Affordability Hub](#)
  - Data Analysis & Lending Solutions.
- Mortgage Brain is a Microsoft Gold Certified Partner.
- Four times winner 'Best Technology Provider' at the Mortgage Strategy Awards, winner of the Best Sourcing System at the Financial Reporter Awards and four 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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