

29 January 2010

Mortgage brokers back in from the cold

Prior to the banking crisis, mortgage deals offered through brokers were not that different and in some instances more competitive than those offered through branches.

After the banking crisis took hold, lenders opted to concentrate on branch business in a move directly to control the volumes of new mortgage approvals.

Dual mortgage pricing became a headache for both brokers and borrowers, especially those who favoured the added value service offered by a financial adviser, such as those with extra ordinary or multiple income streams.

For the first time in the last two years, brokers are finally getting back to a level playing field, despite still having access to a limited proportion of the product market.

	May 2008	Today
Branch Business	28%	58%
Branch/Broker Business	23%	19%
Broker Business	49%	23%

Source: Moneyfacts.co.uk – 29.01.10.

	Average Rate for Branch Business	Average Rate for Broker Business
2 Year Fixed	4.86%	4.79%
5 Year Fixed	6.05%	5.97%
2 Year Tracker	3.73%	3.69%

Source: Moneyfacts.co.uk – 29.01.10.

Darren Cook, spokesperson for Moneyfacts.co.uk commented:

“Like many others, mortgage brokers have probably felt one of the biggest impacts of the banking crisis and they have also had to deal with an added frustration of dual pricing.

“At the height of the crisis, many mortgage providers preferred to offer the better deals to their direct customers, which enabled them to turn off the taps to new lending very quickly.

“The proportion of the market that brokers have access to may have fallen, but it looks like they are starting to compete evenly on price.

“Brokers always have and always will form an integral part of a healthy mortgage market, so we hope that dual pricing fades away soon and we return to a level playing field as quickly as possible.”

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Contact us...

Looking for extra comment, a chart or more information, then please give us a call. We are always more than happy to help.

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