

21 June 2010

Mortgage rates at 7-year low

The average rate on two year fixed rate mortgages has fallen to 4.52%, its lowest level since September 2003, when the average stood at 4.51%.

Fixed mortgage rates have been falling since September 2009 as lenders try and tempt borrowers off record low standard variable rates (SVR).

	Average Today	Lowest since	Previous lowest average
Two year fixed	4.52%	September 2003	4.51%
Three year fixed	4.16%	May 2009	4.16%
Five year fixed	5.61%	June 2009	5.57%

Source: Moneyfacts.co.uk 21.6.10

Michelle Slade, spokesperson for **Moneyfacts.co.uk** commented:

“Many borrowers are opting to remain on record low SVRs and overpaying their mortgage rather than secure a new deal at a higher rate.

“Lenders are trying to incentivise borrowers onto new fixed rate deals by making significant cuts to rates.

“A fifth of lenders have moved to increase their SVR since bank rate was kept on hold after finding their previous level unsustainable.

“Competition for a limited amount of mortgage business continues to increase amongst lenders, who are once again actively competing to be top of best buy tables.

“Previously, only deals for borrowers with large deposits were seeing cuts, but as the market improves borrowers with smaller deposits are being offered more competitive deals.

“The platform has been set for the mortgage market to return to some sort of normality, while still applying the lessons learnt over the last few years.

About Moneyfacts.co.uk

Moneyfacts.co.uk is the UK's leading **independent** provider of personal finance information. For the last 21 years, Moneyfacts' information has been the key driver behind many personal finance decisions, from the Treasury and the Bank of England to the high street.

Our increasingly popular consumer website www.moneyfacts.co.uk **helps customers make better financial decisions** and gives them the ability to check the latest best buy products and to search the **whole market** for products that suit their individual circumstances.

Moneyfacts.co.uk also supplies best buy charts to many of the UK national and regional newspapers, with a total weekly readership in excess of 22,000,000. Moneyfacts.co.uk also provides the personal finance data that powers many UK online comparison websites.

Our dedicated research experts produce three monthly publications as well as providing real time news and data services to the majority of banks and building societies. Additional information can be found at www.moneyfactsgroup.co.uk.

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.

Press Office	Darren Cook Head of Press & PR	01603 476207 dcook@moneyfacts.co.uk
	Michelle Slade Press Officer	01603 476454 mslade@moneyfacts.co.uk
	Louise Holmes Press Officer/Administrator	01603 476204 lhomes@moneyfacts.co.uk
Out of hours	Darren Cook Head of Press & PR	07803 899935
	Michelle Slade Press Officer	07803 145643
<p>Follow us at: http://twitter.com/MoneyfactsPress</p> <p>An ISDN line is available for broadcast: 01603 230551</p>		