

## Northern Rock cuts mortgage fee to £99

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Published: August 20 2010 12:07 | Last updated: August 20 2010 12:07

Northern Rock has cut its mortgage application fee by almost 60 per cent to £99 for all house purchase customers. The new lower fee comes into effect from next Monday.

But borrowers will still have to pay the lender's product fee of £995 or opt for one of its no fee products which come at a higher rate.

It comes as competition in the mortgage market gradually continues to improve. Mortgage lenders including Post Office, Yorkshire Building Society and Nationwide Building Society have all reduced their mortgage rates this week.

"There are lots of elements involved in buying a new home and this is one way Northern Rock is helping to keep things straightforward and affordable as possible for our customers," says Anth Mooney, marketing director at Northern Rock.

The lender's purchase range includes both fixed-rate and tracker products as well as buy-to-let mortgages.

Mortgage lenders have been reducing fees in a bid to attract customers. At the beginning of July, First Direct launched a summer offer of a flat £99 fee across all of its mortgage products which has proved popular with borrowers.

Aaron Strutt of Trinity Financial Group, the mortgage broker, said Northern Rock's fee reduction was unlikely to attract much more business. "It's nice to save £151 but it won't make much of a difference," he said.