

Time for lenders to give FTBs a chance

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The UK's biggest mortgage lenders - Santander, Barclays, Lloyds Banking Group, Nationwide Building Society and the Royal Bank of Scotland - are still not offering borrowers with a 10% deposit access to competitive rates.

Cheltenham & Gloucester has launched a three-year fixed rate for house purchase at 6.99% with a £1,094 fee and RBS has a poor first-time buyer special at 6.89% fixed for five years with no fee.

Santander offers first-time buyers the option of a 5.99% three-year fixed deal with a £495 fee and Nationwide has a two-year fixed rate 90% LTV deal at 5.98% but the maximum LTV is 85%.

We've been waiting for low deposit mortgages for years and some lenders do have good deals.

The Post Office is offering competitive rates at 90% LTV which are available on an interest-only basis. And Britannia has a decent 90% LTV rate for house purchase at 4.99% but brokers can't access it.

Some will argue that if you can't afford a mortgage you should not buy property but the problem is that many lenders are not offering affordable rates while they clamp down on affordability requirements.

There are just four 95% LTV mortgages in the market, the pick of which is Clydesdale's 6.99% three-year fix with a £599 fee.

Brokers would like to see more help for first-time buyers. Where are the low cost mortgages that keep the housing market going?