

Mortgage lenders rush to reprice loans

By Tanya Powley

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Mortgage lenders are rushing to withdraw their best fixed rates and replace them with more expensive deals, brokers have warned.

This week, more than ten lenders have increased the cost of their fixed-rate mortgage deals as well as some tracker rates.

Mark Harris, managing director of Savills Private Finance, said there has been a “flurry of activity” amongst lenders following the Bank of England’s decision to hold interest rates at 0.5 per cent for the [23rd consecutive month](#).

On Thursday, Skipton Building Society announced it was withdrawing a number of its three and five-year fixed-rate deals at the end of the day. The lender said it would not launch replacement products until 21 February.

Santander, Northern Rock and Coutts, the private bank, are amongst other lenders to re-price their fixed-rates upwards on Thursday.

Woolwich has increased its fixed and tracker rates by up to 0.31 per cent this week, while Norwich & Peterborough has raised its fixed-rate deals by up to 0.4 per cent.

Natwest, which last month had a market leading five-year fix at 3.75 per cent, has also repriced some of its deals. The bank’s best five-year fix is now 4.35 per cent, available up to 50 per cent loan-to-value with a £699 fee.

Aaron Strutt of Trinity Financial Group, the mortgage brokers, said lenders are watching their competitors make changes and following their lead.

Mortgage brokers said homeowners considering [fixing their mortgage rate](#) should act as soon as possible.

“We are now at the stage where lenders are saying that rates might not be available this time tomorrow because the majority of banks do not give notice when they are withdrawing their rates,” says Strutt.