

Lenders launch limited mortgage offers

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Published: June 10 2011 12:03 | Last updated: June 10 2011 12:03

Lenders are launching new mortgage offers that are only available for a limited period in a bid to encourage borrowers to take out their deals.

From Friday, Santander is launching two competitively priced mortgage offers through its network of mortgage brokers that will only be available for a week.

This includes a best buy two-year fixed-rate mortgage at 2.89 per cent, which is available up to 75 per cent loan-to-value and comes with a £995 fee.

Santander is also offering a competitively priced two-year tracker with a pay rate of 1.99 per cent - bank base rate plus 1.49 per cent - available for those with a deposit of 30 per cent or more. Both deals have a maximum loan size of £1m.

The deals are only available through the bank's Abbey for Intermediaries brand for select brokers and not via Santander's branches. The rates are set to be withdrawn at midnight on June 16.

Last month, BM Solutions, part of [Lloyds Banking Group](#), ran a similar promotion on a range of its buy-to-let mortgage deals. It offered two competitive rates with fees of 0.5 per cent, which were only available for nine days.

Aaron Strutt of Trinity Financial Group, the mortgage broker, said by offering a mortgage that has a set withdrawal date, lenders hope borrowers will make up their mind quicker and opt for the deal.

"Santander's rates are very competitive and it makes sense to switch in to the tracker from a lender with an averagely priced standard variable rate," said Strutt.

The maximum loan size of £1m also makes the deals attractive to borrowers with larger mortgages.

This week, Nationwide also launched a two-year tracker for borrowers with large loans. It is offering a variable rate deal at 2.99 per cent - bank base rate plus 2.49 per cent - for loans of up to £2m. It is available up to 70 per cent loan-to-value and comes with a £99 fee.

However, borrowers should consider carefully whether a [two-year fixed-rate is the best option](#). Many mortgage brokers believe that borrowers are likely to be better off opting for a cheap variable rate deal or a longer fix of five years.