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## More lenders cut fixed-rate mortgages

By Tanya Powley

More lenders have cut the cost of fixed-rate mortgages this week, with Woolwich the latest lender to launch a cheap two-year deal.

On Tuesday, Woolwich, the mortgage arm of Barclays, cut its two-year fix by 0.24 percentage points to 2.54 per cent. This deal is available to borrowers with a deposit of 30 per cent or more and comes with a £999 fee.

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It has also launched a cheaper two-year fix at 2.49 per cent as part of its [loyalty mortgage range](#), which is available to customers who already have a current account with the bank.

The lender claims that, after this latest round of cuts, it is now offering some of its lowest-ever rates.

Over the past month, there has been [more competition in the mortgage market](#) with lenders reducing rates on both fixed-rate and tracker-rate deals – in a bid to boost their lending volumes and entice borrowers currently sitting on low standard variable rates of 2.5 per cent.

Last week, for example, NatWest launched a two-year fix at 2.55 per cent, available to borrowers with a deposit of 40 per cent or more.

Aaron Strutt of Trinity Financial, the mortgage broker, said he expects more lenders to lower their short term fixes in the coming weeks, as competition intensifies.

“There are a lot of lenders making mortgages available at the moment,” he said. On Monday, a report by Defaqto, a financial research company, found that nearly 9,000 mortgage products have been launched or updated in the three months to the end of June.

Of these, there were 186 brand-new fixed-rate loans introduced, and 4,815 changes to existing fixed-rate deals. In comparison, there were 80 new tracker rate mortgages launched, and 1,687 changes to existing tracker deals.

Woolwich has also made reductions on its five-year fixed-rate mortgages. It is now offering a five-year loan at 3.98 per cent for all borrowers and a cheaper rate of 3.88

per cent as part of its loyalty range. Both deals come with a £999 fee and are available at up to 70 per cent loan-to-value.

However, these are not the cheapest five-year deals available in the market. Accord, the broker-only arm of Yorkshire Building Society, has a market leading rate of 3.64 per cent, available up to 75 per cent loan-to-value with a £1,995 fee.

For those borrowers unsure about whether to fix their mortgage, Accord has also extended its five-year hybrid tracker/fix product to all of its broking partners. This deal comprises a two-year tracker mortgages at 2.19 per cent – Bank of England base rate plus 1.69 percentage points – followed by a three-year fix at 3.64 per cent.