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# Move quickly for the best new mortgage deals

**The availability of new mortgages at loan-to-value ratios greater than 75 per cent has increased**

Tom Pilston for The Times

What's this



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## More funds are available - but not for long

Mortgage lending fell last month, but there were sweeteners for buy-to-let investors and first-time buyers. However, global financial uncertainty means at these new deals may be short-lived.

The number of loans approved for house purchase fell in September to 50,967, down from 52,347 in August, the Bank of England said on Monday. The total sums lent fell by 2 per cent in September to an estimated £12.9 billion, down from the £13.1 billion lent in August, according to the Council for Mortgage Lenders (CML). However, the availability of new mortgages at loan-to-value (LTV) ratios greater than 75 per cent also increased over the three months to September, and institutions surveyed in the Bank of England's Trends in Lending report expected the availability of such advantageous deals to increase by the end of the year.

Woolwich, the mortgage-lending arm of Barclays, announced this week that it would begin lending at 90 per cent LTV, following HSBC's pledge last month that it would ringfence £350 million for borrowers with a 10-15 per cent deposit. HSBC said that its new deals would be fee-free and that at least £250 million would be reserved for first-time buyers until the end of this year.

Aaron Strutt, of Trinity Financial Group, an independent mortgage broker, said: "There has been a large increase in lenders offering large LTVs over the past year. Many are not that affordable but the Woolwich fixed rate of 4.99 per cent with no fee over three years

is competitive. Woolwich have been out of the 90 per cent LTV market for about three years so this means that first-time-buyers have more options.”

Rising rents have also prompted a surge in inquiries for buy-to-let deals. The Bank of England reported that such demand “increased significantly” in the past quarter. Woolwich recently raised its maximum LTV ration for buy-to-let from 60 per cent to 75 per cent. Strutt also pointed to new fixed-rate buy-to-let deals from Godiva Mortgages, part of Coventry Building Society, saying: “Most lenders do not offer flexible buy-to-let mortgages.”

However, the travails of the eurozone may cause lenders to act with increasing caution. Nicholas Leeming, the business development director at Zoopla.co.uk, the property website, said the crisis was “having a knock-on effect on people’s propensity to enter the property market” despite “mortgage lenders falling over themselves to come up with deals to tempt people”.

Strutt remained positive, however, reassuring first-time buyers who, he says, may have been deterred by the global economic news, that “10 per cent deals are available to first-time buyers with a good credit score and employment track record”.