Nationwide Offers Its Lowest-Ever Fixed Rate Mortgage

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From Thursday 23 October, Nationwide is offering the lowest-ever fixed rate mortgage in its history.

The new two year fixed rate deal available up to 60 per cent LTV has a rate of 1.84% for new mortgage customers, and 1.74% for existing mortgage customers. This comes with a £999 product fee, reduced to £499 for first time buyers.

In addition, the Society is reducing selected fixed and tracker rates across its mortgage range by up to 0.65%. Two year fixed rate deals are reduced by up to 0.55%, while three and four year fixed rate deals are reduced by up to 0.50% and start from 2.29%. Five year fixed rate mortgages are reduced by up to 0.55% and start at 2.84%.

Tracker rates are also reduced by up to 0.65%, with competitive rates starting at 1.44% for the two year tracker, available at up to 75 per cent LTV.

Nationwide's Divisional Director of Mortgages and Savings Richard Napier said: "With our lowest-ever fixed rate mortgage deal, Nationwide continues to offer the best possible rates to customers. We are also demonstrating our mutual difference by offering competitive fixed rate and tracker deals to all mortgage customers, whilst continuing to offer additional discounts for existing mortgage customers and first time buyers

Other highlights include:

New 2.84% five year fixed rate up to 60 per cent LTV with £999 product fee (2.74% for existing Nationwide mortgage customers)

- First time buyers pay a reduced product fee of £499
- Remortgage borrowers receive a free standard valuation and the choice of either free standard legal fees or £250 cashback

New 1.44% two year tracker rate up to 75% LTV with £999 product fee (1.34% for existing Nationwide mortgage customers)

- First time buyers pay a reduced product fee of £499
- Remortgage borrowers receive a free standard valuation and the choice of either free standard legal fees or £250 cashback

Existing mortgage customers benefit from at least an additional 0.10% discount on all new customer rates. Nationwide also continues to offer its Loyalty Rate Mortgages initiative, which compares the Society's mortgage rates for existing customers with those of its top six high street competitors and guarantees to offer the lowest comparative rate.

Notes to Editors:

Loyalty Rate Mortgages:

- Nationwide will compare like for like products against the comparable LTV tier and fee range of the Nationwide's top six competitors. Based on CML gross lending figures, these are currently NatWest/ RBS, Halifax, Santander, HSBC, Barclays / Woolwich, Lloyds. These lenders are fixed for the year and will be reviewed in September 2015.
- To qualify for the Loyalty Rate Mortgages promotion, mortgages have to be like for like, i.e. have the same product term and comparable arrangement/product/booking/application fee. Competitor products are those available to all customers through lenders' retail channels and will exclude deals through subsidiaries, intermediary exclusives, Buy to Let mortgages, those linked to schemes, such as Help to Buy and those with fees greater than £1000.
- If a competitor's mortgage deal is lower than the Nationwide equivalent, that product will be re-priced on the following Wednesday to be lower by at least 0.01%. This process will be repeated each week.
- The Loyalty Rate Mortgages promotion is ongoing, but can be withdrawn at any time.

Key features of Nationwide's fixed and tracker mortgage product range for new applications

1. Flexibility:

- Overpayments (maximum of 10% of the initial amount borrowed per annum where an ERC applies to the product. Where a product is not subject to an ERC, there is no maximum overpayment allowance).
- Apply for a Further Advance, the additional borrowing facility.

2. Free Standard Valuation:

- No standard valuation fees for homebuyers (on Flexclusive products only*) or for those who are remortgaging.

3. Free standard legal fees for house purchase (on Flexclusive products only*) cover the conveyancer's professional charges relating to the house purchase only when using one of our panel legal firms. The customer will be liable for some additional fees relating to the disbursements, e.g. Land Registry fees and local authority searches. Due to Northern Irish law, Nationwide is unable to offer free legal fees for house purchases in Northern Ireland.

4. Cashback is payable one month after completion of the mortgage

5. Maximum LTV:

- Lending above 85.01% is available on fixed rate mortgages.
- 95% LTV mortgages are available to:
  - Existing Nationwide mortgage borrowers switching at the end of their current deal or moving home.
  - Save to Buy customers.
  - NewBuy customers
- 90% LTV mortgages are available to:
  - Existing Nationwide mortgage borrowers switching at the end of their current deal or moving home.
  - First-time buyers and home movers.
- First-time buyers can access 95% LTV products through Save to Buy and NewBuy.
- Maximum 75% LTV on new build flats and 85% LTV on new build houses (90.01% to 95% LTV for approved NewBuy housing providers).

6. Base Mortgage Rate

- Any mortgage products reserved on or before 29 April 2009 will revert to the Base Mortgage Rate (BMR). If the borrower chooses to switch to a new Nationwide mortgage product, the new product will currently revert onto our Standard Mortgage Rate (SMR).
- Both are variable rates which we may vary in accordance with our mortgage terms and conditions. However, the BMR is guaranteed to be no more than 2% above the Bank of England base rate, whilst the SMR has no upper limit or cap. If the borrower chooses to switch to a new product from a BMR, it is not possible to switch back to the BMR at a later date.
- All mortgages reserved on or before 3 March 2010 include the option to apply for a payment holiday and borrow-back facility. Any mortgages reserved after this date will no longer include these facilities.
- If the borrower is currently letting their property they will be unable to switch to a new mortgage deal and their mortgage will automatically revert to the Nationwide variable rate as stated in their mortgage offer.

7. Early repayment charges for fixed rate and tracker mortgages

Throughout the deal period, a percentage of the outstanding loan is payable as detailed below. Overpayments of up to 10% per annum are permitted without the need to pay an early repayment charge.

-ENDS-

Company Contact:

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