

For immediate release

8 November 2001

C&G CUTS STANDARD VARIABLE MORTGAGE RATE TO 5.95%

Following the Bank of England's decision to cut interest rates by a further 0.50%, Cheltenham & Gloucester has reduced its Standard Variable Mortgage Rate by 0.40% to 5.95%. The change will take effect from 12 November for new customers and 1 December for those already on our Standard Variable Mortgage Rate.

C&G's sales director, Nick Hale commented, 'Our most recent housing Affordability Index shows that borrowers are continuing to enjoy their cheapest mortgages for 40 years – but for people relying on the income generated from their savings it's a different story.

'In passing on an interest rate reduction of less than the full 0.50% cut we are once again trying to cushion our savers from the full impact of falling interest rates. We think it's important to balance the conflicting demands of savers and borrowers and that's exactly what we have tried to do again this time.'

The only exceptions will be C&G's tracker accounts – which will continue to reflect the movement of the Bank of England base rate to which they are linked and reduce by 0.50% and its fixed-rate range.

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Notes to Editors

1. Monthly payments on interest only mortgage on C&G Standard Variable Mortgage Rate

Loan Amount	Payment at previous Rate (6.35%)	Payment at New rate (5.95%)	Decrease Per month
£30,000	£158.75	£148.75	£10.00
£40,000	£211.67	£198.33	£13.34
£50,000	£264.58	£247.92	£16.66
£60,000	£317.50	£297.50	£20.00
£80,000	£423.33	£396.67	£26.66
£100,000	£529.17	£495.83	£33.34

2. The C&G Variable Rate will reduce by 0.40% to 5.05% (for the annual interest option) and 5.20% (for the daily interest option).
3. The C&G Flexible Mortgage is reduced by 0.49% to 6.00%.

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Enquiries:

Press Office: Esther O'Reilly-Cain.....01452 373670
E-mail.....cgpressooffice@cgpressooffice.demon.co.uk