Co-operative Financial Services

News Release

TEN YEAR FIXED RATE MORTGAGE FROM THE CO-OPERATIVE BANK

The Co-operative Bank today (17 March, 2003) launched a 'best buy' ten year fixed rate mortgage, with an interest rate of 4.95 per cent until 31 May 2013. It offers borrowers flexibility in repayments, plus ecologically friendly features.

The fixed rate mortgage is available for house purchase and for re-mortgaging, with a maximum advance of 95 per cent of the property value. For re-mortgages, the Bank will pay legal and valuation fees. Interest on the mortgage is calculated on a daily basis, rather than by the traditional annual method.

The new mortgage provides considerable repayment flexibility. Borrowers can create a 'flexible fund', which can then be used to pay off up to 5 per cent of the mortgage balance each year without penalty, therefore reducing the total amount of interest paid. Alternatively, borrowers can withdraw all or some of the fund at anytime, or use it to take a repayment holiday.

The mortgage has a number of positive environmental features. House purchasers get a free home energy rating report with their property valuation. This assesses the energy efficiency of the property, and identifies ways in which it can be improved, therefore giving both financial and environmental benefits.

For the duration of the mortgage, the Bank will also make an annual donation to Climate Care to help tackle global warming. This scheme was developed after extensive consultation with the environmental community, including WWF and Forum for the Future. Houses are one of the largest sources of carbon dioxide emissions in the UK and, by using the Bank's annual donation on reforestation, Climate Care will be able to offset around one quarter of an average home's carbon dioxide emission each year for the duration of the mortgage.

Paul Rumbold, Head of Mortgage Services at The Co-operative Bank, said: "With interest rates at their current low levels, it is a good time for many borrowers to consider a fixed rate mortgage. With our new ten-year fixed rate mortgage, borrowers have the peace of mind of knowing that, however much interest rates may rise between now and 2013, the amount they are paying will not change.

"This new mortgage may suit homeowners who have ten years left on their current mortgage and would like the financial security of avoiding any interest rate rises. The Bank also pays the valuation and legal fees on remortgages, so there is minimal hassle in switching over."

Anyone wanting further information about a high quality mortgage service with both financial and environmental benefits, should call The Co-operative Bank free on 08000 288 288 between 8 am and 9 pm, Monday to Friday, and 9 am to 5 pm Saturday.

Ends

For further information, contact: **17 March 2003**

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