

DISCOUNT MORTGAGE FROM THE CO-OPERATIVE BANK

The Co-operative Bank today (24 June) launched a three-year discount mortgage with a current rate of 3.99 per cent. This is a discount of 1.1 per cent off the Bank's standard variable rate and the discount is guaranteed until 31 July, 2005.

The new mortgage, which provides borrowers flexibility in repayments plus environmentally friendly features, is the latest in a range of new products launched by the Bank over the past year. As well as variable rate mortgages, the Bank now has fixed rate, capped rate and tracker mortgages. The Bank also has a dedicated mortgage telephone call centre, which provides customers with a quick, friendly and professional service during both the application and completion process.

The three-year discount 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 also provides considerable repayment flexibility. Borrowers can create a 'flexible fund', which can then be used to pay off up to 10 per cent of the mortgage balance each year without penalty, thereby 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 also has a positive environmental impact. For its duration, the Bank will 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 fifth of an average home's carbon dioxide emission each year for the duration of the mortgage.

Mick Firth, Deputy Chief Executive at The Co-operative Bank, said: "The Bank returned to the mortgage market in 2000 following a ten year absence. We are now in a position where we can offer customers a range of competitive mortgage products, all with repayment flexibility, environmental benefits and excellent customer service through our branch network and telephone call centre.

"The three year discount mortgage offers great value for money and will be amongst the most competitive products in the market."

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

Ends

For further information contact:

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