

For immediate release – 1st August 2002

ANOTHER BASE RATE FREEZE, BUT A CUT WAS MORE LIKELY THAN A CLIMB, SAYS CHARCOL

Alison Cooley of Charcol comments on today's Base Rate freeze at 4%: "After nine months of the industry awaiting a Base Rate upswing, ironically we appear to be moving closer to a cut than a climb. But who could have foreseen the sustained bruising suffered by world stockmarkets over recent months, which has eaten away at investors' wealth and confidence, amplifying fears of a lengthy economic slowdown."

"Despite today's Nationwide's figures, there are early signs of a gradual cooling down in the housing market, especially towards the top-end, evidence of a cautious reaction to the extent of recent price rises. However, a quarter point Base Rate cut would have little effect on the housing market but may serve to stimulate economic activity, and thus reduce the risk of inflation falling below government targets. These are key facts which could well persuade the MPC to cut rates in the coming months, should stockmarkets fall significantly below their current level."

What should borrowers do now?

Fixed rates have been following the recent downward trend in Money Markets rates, but it's likely they still have further to fall, in the meantime discount and tracker mortgages continue to offer good value. Any borrowers unsure what to do may want to consider deals with a "Drop-Lock" facility. This facility enables borrowers to switch onto the lender's fixed rate penalty free at any time, enabling borrowers to take advantage of the current low payable rates but keep their options open should the picture change. To follow are two Charcol exclusive deals of particular note (*full product details can be found in the notes to editors*):

Charcol exclusive - Penalty free 3 year discount with "Drop-Lock" option: 1.65% **(5.6%APR)** to 31/05/05 giving a current pay rate of 4.30%

Charcol exclusive - Penalty free lifetime Tracker with "Drop-Lock" option: Bank Base + 0.55% giving a current pay rate of 4.55%.

**Borrowers should contact 0800 71 81 91 or visit
www.charcolonline.co.uk <<http://www.charcolonline.co.uk>>**

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Product suggestions - typical examples available on request

Penalty free 3 year discount with "Drop-Lock" option:

Rate	: 1.65% discount to 31/08/05 = 4.30%
Max LTV	: 95%
MIG free to:	: 90%
Early Redemption Charge	: Nil
Lender fee	: £99 (to £1m; +0.5% above)
Charcol booking fee	: £49
Drop-Lock facility	: Borrowers can switch (penalty free) to a new fixed rate from the lender at any time,
Flexible:	Fully flexible
Lender	: Woolwich (exclusive to Charcol)

Optional remortgage facilities

Max LTV	:80% (MIG free)
Lender fee	:£369 to £1/2 m
Notes	: Free valuations and free legals
Other details as above	

Penalty free lifetime Tracker with "Drop-Lock" option:

Rate	: Bank Base + 0.55% for the term of the mortgage giving a current payrate of 4.55% <u>(4.7% APR)</u> .
Max LTV	: 75% (MIG free)
Early Redemption Charge	: None.
Lender fee	: None
Charcol booking fee	: £49
Minimum loan	: £50,000.
Drop-Lock facility	: Borrowers can switch (penalty free) to a new fixed rate from the lender at any time,
Flexible facilities	: Payment holidays and underpayments from overpayments.
Notes:	: Free valuation.
Lender	: Norwich & Peterborough (exclusive to Charcol)

NB: Exclusive products are exclusive to Bradford and Bingley Group

For further information please contact:

Ray Boulger	or	Richard Winder/Ali Merrigan
Senior Technical Manager - Mortgages		Lansons Communications
020 7550 6643 / 07977 277 431		020 7294 3641/ 020 7294 3634

Alison Cooley/ Karen Garner - Charcol press office: 020 7550 6748/ 6749

Charcol will charge a broker fee of up to 1% on completion (nb: the average fee charged in 2001 was below 0.5%). No fee is charged for mortgages purchased online at www.charcolonline.co.uk.

Typical examples for products detailed in this release available on request. Mortgage secured on property. Min age 18. Insurance may be required. Loans subject to status, type and value of property. Written quotations available on request.

**YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP REPAYMENTS ON A
MORTGAGE OR OTHER LOAN SECURED ON IT**

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