

TWO AND FIVE YEAR FIXED RATE MORTGAGES FROM THE CO-OPERATIVE BANK

The Co-operative Bank today (21 August) extended its range of mortgages with the launch of two new fixed rate mortgages for two and five years. The two-year fixed rate product offers an interest rate at 4.65 per cent until 30 September 2004. The five-year fixed rate product offers an interest rate at 5.35 per cent until 30 October 2007.

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

Both new products are 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 is calculated on a daily basis, rather than by the traditional annual method, and there is 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 telephone call centre and branch network".

"These two new fixed rate mortgages offer great value for money and peace of mind that, whatever happens to interest rates, repayments will remain fixed for the two and five year terms."

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.

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