

# Co-operative Financial Services



*The* COÖPERATIVE BANK

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## News Release

### **THE CO-OPERATIVE BANK LAUNCHES NEW TWO, FIVE AND TEN YEAR FIXED RATE MORTGAGES**

The Co-operative Bank today (2 June, 2003) launched three new fixed rate mortgages for two, five and ten years, with rates of 3.89 per cent, 4.45 per cent and 4.89 per cent respectively. These new products provide borrowers flexibility in repayments, plus environmentally friendly features.

The fixed rate mortgages 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 on the mortgage is calculated on a daily basis, rather than by the traditional annual method.

The new mortgages 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, 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 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.

Paul Rumbold, Head of Mortgages at The Co-operative Bank, said: "These competitive fixed rate mortgage products offer customers the peace of mind that their monthly mortgage repayments won't change regardless of any change in base rate over the period of the fixed rate offer.

"However, I would urge anyone taking out a mortgage to look beyond the initial headline rates and look at the overall package on offer. All of the Bank's mortgage products offer flexible repayment methods, free legal and valuation fees for re-mortgages, daily interest and no Mortgage Indemnity Premiums. Many of the best buy mortgages on the market don't offer these deals and therefore customers can end up paying more in the long term."

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, 9 am to 5 pm Saturday.

*Ends*

**Notes to Editors:**

2 Year Fixed Rate Mortgage - Rate 3.89 per cent until 31 August 2005  
5 Year Fixed Rate Mortgage – Rate 4.45 per cent until 31 August 2008  
10 Year Fixed Rate Mortgage – Rate 4.89 per cent until 31 August 2013

**For further information, contact:**

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