

# Co-operative Financial Services



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## News Release

### **TWO YEAR FIXED RATE MORTGAGE FROM THE CO-OPERATIVE BANK**

The Co-operative Bank today (15 March, 2004) announced the launch of a two year fixed rate mortgage, with an interest rate of 4.99 per cent until 30 April 2006. 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 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 also 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 forecast by many to rise again in the near future, it is a good time for many borrowers to consider a fixed rate mortgage. With our new two-year fixed rate mortgage, borrowers have the peace of mind of knowing that, however much interest rates may rise between now and 2006, the amount they are paying will not change.

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:**

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