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RISING HOUSE PRICES OFFER MORTGAGE HOLDERS THE CHANCE TO MAKE SIGNIFICANT INTEREST SAVINGS

*** HSBC pledges to hold all mortgage rates for the next four weeks so re-mortgaging homeowners can take advantage of lower loan to value deals and save ***

Rising house prices over recent years now offer homeowners the opportunity to save thousands of pounds in interest according to latest research by HSBC. Mortgaged homeowners who have seen the value of their properties rise can also benefit from the equity in their home rising. By re-mortgaging at a lower loan to value, they can lower their borrowing rate and make significant savings.

With interest rate increases looming and several lenders withdrawing low fixed rates, HSBC has pledged to hold the rates on all of its mortgage deals until July 21st in order to help as many customers as possible take advantage of their improved equity stake.

Those in London can expect to benefit the most from the improved equity in their home as prices have risen 23.6% in just two years. However, with the exception of the north east, homeowners across all regions of England and Wales have seen the equity in their homes rise over the last 24 months.

	North East	Wales	North West	South West	East Mids	West Mids	East	South East	London	Eng & Wales
Av. house price + / - Apr 12 to Apr 14	-1.7%	+1.4%	+1.5%	+4.3%	+6.2%	+6.8%	+8.8%	+9.5%	+23.6%	+7.8%

Based on Land Registry House price data. April to April data used as it is the most recent available.

In addition, by factoring in capital repayments homeowners are even more likely to be able to switch to a lower loan to value bracket upon re-mortgaging. The average mortgage agreed in April 2012 was for £124,989, so a typical homeowner with a capital repayment mortgage would have paid down a further 5.1%* of their loan over the following two years.

Potential savings

Loan Size	Monthly payment based on average new mortgage rate in April 2012 - 3.63%	Monthly payment after switching to 'best buy' 75% LTV Tracker at: 2.49%	Saving over two years	Monthly payment after switching to 'best buy' 60% LTV Tracker at: 1.99%	Saving over two years
£100,000	£508	£452	£1,344	£429	£1,896
£150,000	£761	£678	£1,992	£643	£2,832
£250,000	£1,269	£1,130	£3,336	£1,072	£4,728
£350,000	£1,777	£1,582	£4,680	£1,501	£6,624

Assumes a 25 year term starting in April 2012

Peter Dockar, head of mortgages at HSBC commented: “We are seeing an increase in the number of customers switching deals, with four in ten using their improved equity to reduce their mortgage payment too. With mortgage rates climbing as a base rate increase appears ever closer, it looks like this will be the last chance for many homeowners to access these record low mortgage rates. We are going to hold all our mortgage rates for at least the next four weeks to give as many customers as possible the chance to re-mortgage now.”

- Ends -

For further information please contact:

James Thorpe on 020 7992 1433, jamesthorpe@hsbc.com

Notes to editors:

* based on the average interest rate for a new mortgage being 3.63% at the time and a 25 year mortgage.

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