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## **HSBC UK MAKES CHANGES TO HELP PEOPLE BUY THEIR FIRST HOME AND CUTS MORTGAGE RATES**

HSBC UK has taken action to address widely recognised challenges that many home-buyers, including first time buyers (FTBs), face when buying a home of their own; deposit shortfalls, upfront costs and affordability, which have resulted in them finding it harder to gain a foot on the housing ladder.

As a result, HSBC UK is making getting on the housing ladder simpler and more affordable by making changes to its range of mortgages, including cutting interest rates on all 90% LTV products and removing upfront fees.

To help more people overcome these challenges HSBC UK has:

- Introduced a 95% LTV mortgage proposition with 2,3 and 5 year fixed rates priced from 3.49% with no fee
- Extended its maximum lending term to 35 years, helping home-buyers to lower the monthly cost by spreading the payments over a longer period
- Removed the standard valuation fee for all mortgage customers
- Removed the £99 non-refundable booking fee from the product range.

Following a review of its mortgage interest rates, HSBC UK is making it possible for first-time buyers with a 10% deposit to borrow below 2%, with no upfront costs, giving them important peace of mind that their monthly mortgage payment won't increase for 2 or 3 years.

Tracie Pearce, HSBC UK's Head of Retail Banking, said: "It's difficult to over-state the importance of first time buyers to the housing market, and of the housing market to the wider economy. That is why we are making a succession of changes to address the challenges FTBs face which will help keep the housing market moving.

"We have increased our maximum mortgage term to 35 years and provided a 95% LTV option. In conjunction, we have reduced eleven interest rates at 90% LTV, many of which are available with no fee, free valuation and legals. Where properties benefit from Stamp Duty relief as well, many people can now get onto the housing ladder with very little up-front cost."

"Improvements we have made to rates and accessibility make getting on the property ladder more affordable and simpler, as well as making small but important changes in the background to make the customer journey as frictionless as possible. This will go a long way to helping people satisfy their aspiration for home ownership."

The interest rate cuts include the following highlights:

- Cutting the fee-free 2 year fixed rate 90% LTV 0.2% to 1.99%
- 3 year fixed rate 90% LTV (with £999 fee) reduced by 0.2% to 1.99%
- 2 year fixed rate 90% LTV (with £999 fee) cut by 0.10% to 1.74%
- Reducing the fee-free 5 year fixed rate 90% LTV by 0.10% to 2.59% and the fee-paying equivalent (with £999 fee) by 0.05% to 2.39%
- 2 year tracker mortgages at 90% LTV (with £999 fee) reduced by 0.1% to 1.69%
- Fee-free 10 year fixed rate at 60% LTV reduced to 2.49%

*ENDS*

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**Note to editors:**

**HSBC UK**

HSBC serves c17 million customers in the UK and employs approximately 43,000 people. In the UK, HSBC offers a complete range of personal, premier and private banking services including bank accounts

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and mortgages. It also provides commercial banking for small to medium businesses and corporate and institutional banking services. HSBC Bank plc is a wholly owned subsidiary of HSBC Holdings plc.

**HSBC Holdings plc**

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 3,900 offices in 67 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US\$2,526bn at 30 September 2017, HSBC is one of the world's largest banking and financial services organisations.

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