

Mortgage Approvals Hit a Four Year High in UK

Mortgage monitor research has announced that mortgages hit a four-year high since the start of the financial and economic crisis.

March 4, 2013 (FPRC) -- The e.surv mortgage monitor revealed that mortgage loans increased by a significant 17 per cent in January 2013 since 2008. The increase in mortgage available and approvals has also helped many more first-time buyers buy a new home.

The figures are a result of a number of underlying factors. Lending had significantly increased in December 2012 and January 2013 with an increased level of high loan to value mortgages. First-time buyers are also able to put down significantly lower deposits of 15 per cent and less on new homes for sale than higher deposit amounts previously accepted by lenders. Thirty per cent more first-time buyers were able to put down a deposit of less than 15 per cent and the number of loans approved in conjunction with lower deposits increased for the first time since 2008.

Other factors include lower interest rates on mortgages for first-time buyers which have been high and unaffordable over the past few years. Major lenders are increasingly making a lower interest mortgage available which has been helped by the Bank of England's Funding for Lending Scheme launched in September 2012 that guarantees lenders for lower interest mortgages. The scheme has also meant that cheaper funds are available in the wholesale markets for mortgage lenders to pass low loans onto house buyers, particularly first-time buyers. This in turn has meant that mortgage rates can be reduced on lending, enabling a better range of high loan to value mortgage products to be accessible for borrowers.

The surge in available lower rate and higher loan to value mortgage products has meant that more borrowers can get onto the property ladder and afford to buy new homes for sale.

Notes to Editors:

<http://www.newhomesforsale.uk.com> is a property website that features thousands of new homes for sale across the UK from major house builders and developers including new homes in Scotland. It also features property and mortgage information and news.

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