

AmTrust Mortgage Loan to Value (LTV) Tracker



Product numbers for those purchasers with both 5% and 25% deposit levels have increased across all mortgage options for the first time since the LTV Tracker was introduced, however those with smaller deposits continue to pay over 50% more each month than their larger deposit counterparts.

Average First-time buyer house price



Deposit

75% LTV	Vs	95% LTV
£42,647		£8,529

Average Interest Rate

75% LTV	Vs	95% LTV
1.75%		3.61%

Mortgage products available on average house price



75% LTV	Vs	95% LTV
1597		258

Average fixed monthly payment

75% LTV	Vs	95% LTV
£527		£821

Average fixed annual payment

75% LTV	Vs	95% LTV
£6,324		£9,852

Source: AmTrust Mortgage & Credit, Money Saving Expert, UK Finance, Bank of England

*Based on an average first-time buyer house price of £170,588 (UK Finance - July 2018)





“As we move into, what is traditionally, a very competitive time for the mortgage market there is a lot to be encouraged about in this quarter’s LTV Tracker. Lower average rates translate into lower monthly and annual payments for those borrowers with a 5% deposit, plus the differential between those with a bigger deposit has been narrowed, and we have seen a continued increase in the number of products available to high LTV borrowers.

“Such positive movement is, of course, to be welcomed however we are still concerned on a number of fronts. Government support to first-timers has improved, with cuts to stamp duty and the ongoing extension of the Help to Buy Scheme, but at some point the market has to stand on its own two feet and if lenders were able to use tools such as private mortgage insurance to mitigate their risk, not only would they be able to offer more product choice but they could bring pricing down closer to the levels that those borrowers with bigger deposits benefit from.”

Pad Bamford, Business Development Director at AmTrust Mortgage & Credit



Methodology

The AmTrust Mortgage LTV Tracker has been developed to analyse monthly, quarterly and annual data from the Treasury, the Bank of England and the UK Finance on product availability, mortgage rates and LTVs.



About AmTrust International - Mortgage & Credit

AmTrust International’s Mortgage & Credit team focuses on mortgage insurance in the UK and Europe, working with building societies, banks and other financial institutions. They have been offering flexible mortgage insurance solutions to suit different lender requirements, whether that is on a loan-by-loan basis or at a portfolio level, since 1993. Our protection to lenders makes high loan-to-value mortgage loans (where the borrower does not have a large deposit) available to good credit-quality borrowers. The Mortgage & Credit team has unmatched expertise and capacity including a unique arrangement with highly rated reinsurers.

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(Excellent) FSC “XV”**

For more information about AmTrust visit www.amtrustfinancial.com

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