



Costs of mortgages increase for both 75% and 95% LTV first-time borrowers as average house price levels increases significantly for second quarter in a row. However, larger increase in costs for those with smaller deposits as average rates for 95% LTV mortgages rises. Product numbers continue to rise for 75% LTV borrowers but continue to fall for all 95% LTV options.

## Average first-time buyer house price



## Deposit

75% LTV	Vs	95% LTV
<b>£55,669</b>		<b>£11,134</b>

## Average Interest Rate

75% LTV	Vs	95% LTV
<b>1.44%</b>		<b>3%</b>

## Mortgage products available on average house price



## Average Fixed Monthly Payment

75% LTV	Vs	95% LTV
<b>£663</b>		<b>£1,003</b>

75% LTV	Vs	95% LTV
<b>1,767</b>		<b>268</b>

## Average Fixed Annual Payment

75% LTV	Vs	95% LTV
<b>£7,956</b>		<b>£12,036</b>

Source: AmTrust Mortgage & Credit, Money Saving Expert, UK Finance, Bank of England  
\*Based on an average first-time buyer house price of £222,676 (UK Finance – October 2019)

# AmTrust Mortgage Loan to Value (LTV) Tracker

## Patrick Bamford, Business Development Director at AmTrust Mortgage & Credit, commented:

*"There has been a slight upturn in terms of product choice for 95% LTV borrowers in this latest version of our LTV Tracker with, for the first time in two quarters, an increase in product choice for those with a 5% deposit.*

*"This adds to the other positive news which is a slight drop in the average deposit required by high LTV borrowers and a corresponding fall in the average amount payable each month, but these are only very marginally and are unlikely to make a major difference to those seeking to get on the housing ladder.*

*"The more worrying trend remains an increase in average rates for 95% LTV borrowers and an increase in the rate differential between these first-timers and those with a 25% deposit. We still see the latter group paying 50% less each month in mortgage payments than high LTV borrowers, and this is a trend that shows no sign of changing.*

*"It means that any potential first-timer who wants to get anywhere near the most competitive rates in the market, needs a significant deposit to do so. At current levels that means having to save over £55k, or be lucky enough to have the Bank of Mum & Dad to call upon – given this situation, it is perhaps not surprising that the number of mortgages available to those in such a fortunate situation continues to grow.*

*"We are however in danger of creating a mortgage/housing market which can only be accessed by those with family support and this is likely to mean significant numbers of potentially credit-worthy borrowers not being able to become home-owners.*

*"With a new Government in place, the market will be watching March's Budget very closely to see if there is any further support to be provided to first-timers, plus of course next year the Help to Buy Scheme will be changed so it is only accessible by first-timers. However, what we need to see is a greater focus on providing high LTV loans, not just for those starting their property journey but those already on the ladder who might wish to move up.*

*"Regulatory factors play a major role in curbing the amount of high LTV lending lenders can currently write, and we would like to see these addressed and amended, in order to allow lenders to write more business with those borrowers who do not have the support of family and friends to get on the ladder."*



## Methodology

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



## Media Contacts

For more information, please contact:

**Patrick Bamford, AmTrust Mortgage & Credit**

[Patrick.bamford@amtrustgroup.com](mailto:Patrick.bamford@amtrustgroup.com), 020 7152 1384, 07920 702154

Rob Griffiths, Public Relations for AmTrust Mortgage & Credit,

White Dragon Communications, [rob@whitedragoncomms.co.uk](mailto:rob@whitedragoncomms.co.uk), 07983 641566



## 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. It has 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. Its 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. AmTrust International is a branding name of AmTrust Europe Limited (AEL), which is authorized by the PRA and regulated by the PRA and the FCA.

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## About AmTrust Financial Services, Inc.

AmTrust Financial Services, Inc., a multinational insurance holding company headquartered in New York, offers specialty property and casualty insurance products, including workers' compensation, commercial automobile, general liability and extended service and warranty coverage through its primary insurance subsidiaries rated "A" (Excellent) by A.M. Best. AmTrust is included in the Fortune 500 list of largest companies. For more information about AmTrust visit [www.amtrustfinancial.com](http://www.amtrustfinancial.com)

For further information on the AmTrust Group please contact Hunter Hoffmann, SVP, Global Marketing & Communications at 646.870.1949 or visit [www.amtrustfinancial.com](http://www.amtrustfinancial.com)



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