
To assist you we have provided the different rate options available to you. From this information, you will then be able to make an informed decision as to what you feel is the most appropriate way forward.

Variable Rate Mortgage

As the name suggests, during the course of the loan the interest rate can go up or down. The variable interest rate charged is largely determined by the Bank of England's base rate, so when the Bank of England announces a base rate change, variable mortgage rates usually follow the movement (up or down). Having said that, your mortgage provider may not necessarily pass on the full rate change.

Discounted Mortgage

Mortgage interest rates are offered at a very low rate of interest typically for a limited period of between one and three years, although some mortgages may offer a smaller level of discount throughout the whole mortgage term. The discount may be on either on a level or stepped (reducing) basis. These are also variable rate mortgages, so although the level of discount is guaranteed, the amount you pay may vary, depending on the current interest rate.

Fixed Rate Mortgage

Mortgage interest rates are fixed for a set period, normally between two and five years. During this time, even if interest rates rise or fall, your mortgage payments will not change.

Capped Rate Mortgage

This is a variable rate mortgage where the rate is guaranteed not to exceed a specified limit for a set period.

Cashback Mortgage

Cashback offers are normally linked to a variable rate mortgage. You receive a lump sum when you start your mortgage, but as this is linked to a variable rate, your mortgage payments may fluctuate as rates go up or down.

With most fixed rate, capped, discounted and cashback mortgages there is a penalty fee if the mortgage is redeemed early, in part or full within a specified period.

You can choose the method of repaying your mortgage loan to suit your circumstances through taking out a repayment mortgage or an interest only mortgage.