

Financial Adviser, 25 March 2010

## **Mortgages, Guarantor Mortgage**

### **The Mortgage Works**

**Type:** Guarantor mortgages.

**Description:** The Mortgage Works has launched limited and full liability guarantor mortgages. With limited liability there are three two-year fixed rates of 3.99 and 4.99 per cent with 75 per cent loan-to-value, and 6.24 per cent with 85 per cent LTV. There is a three-year fixed and a two year tracker at 75 per cent LTV.

There are three two-year fixed rates with full liability at 3.49 per cent, 4.99 per cent and 5.59 per cent, with 75 per cent, 80 per cent and 85 per cent LTV respectively. A two-year tracker at 2.49 per cent and 75 per cent LTV is available.

**Conditions:** For limited liability, the guarantor will pay 30 per cent maximum of the debt and 10 per cent tolerance. The 4.99 per cent fixed rate and the three-year fixed rate have no arrangement fee, with the latter offering £1000 cashback. The 3.99 per cent fixed and the tracker have a 2 per cent arrangement fee.

For full liability products, the guarantor will pay the full mortgage. The 80 per cent and 85 per cent LTV mortgages have 1 per cent arrangement fees, while the tracker and the 3.49 per cent fixed rate charge 2 per cent.

#### **VERDICT**

**Heather Sonnet, consultant of Norwich based IFA Almary Green Investments,** said "It is good to see a bit of innovation coming back onto the market. The problem is the size of the loan will affect the size of the fees".