

Woolwich looks to beat interest rate cycle with 'Track and Track Again'



Released on: November 5, 2007, 3:36 am

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Industry: [Financial](#)

Press Release Summary: Barclays Woolwich announces the launch of a new mortgage product to take advantage of future drops in interest rates which many commentators expect during 2008

Press Release Body: Woolwich has launched a new mortgage product to take advantage of any future drop in interest rates as many commentators expect during 2008.

The new mortgage product from [Woolwich](#) will for the first year track at 0.26 per cent below base rate (current pay rate of 5.49 per cent) and for the following two years will track at 0.39 per cent above base rate. The product also benefits from a 'droplock' facility whereby at any time, without early repayment charges, customers can switch to a [Woolwich fixed or capped rate mortgage](#) if they feel this would be more appropriate.

Andy Gray, head of [mortgages](#) for Woolwich, said: "We are moving towards a situation whereby the next movement in interest rates is likely to be down – but commentators are unsure when the rate change will come, some expecting early next year, others later. With many borrowers coming off very low fixed rates, and tracker rates in the market generally moving higher, this product offers customers the

opportunity to take advantage of an initial low tracker which is unlikely to increase in the short term. This will then switch to a very competitive lifetime tracker at a time when cuts in interest rates are expected, allowing customers to positively manage their mortgage outgoings over the next few years.

“Of course, if interest rates and markets don’t head in the direction that they are expected to do, customers can always drop into one of our fixed rates at any time. It gives borrowers the best of all worlds.”

Product details on ‘Track and Track Again’:

- One year discount of 0.26 per cent below base rate (current pay rate of 5.49 per cent).
- Year two and three reverts to tracker at base + 0.39 per cent
- Arrangement fee £995 (can be added to the loan)
- Loan to value of 80 per cent
- One per cent early repayment charge during the fixed rate period
- Borrowers can overpay up to 10 per cent per annum without any charges.
- Customers switching from another lender can use Woolwich Switch & Save package with no valuation and legal costs.

In addition Woolwich is making some additional changes to its product range. On its fixed rate range it will maintain a 10 year fix at 5.59 per cent, whilst the five year fix will now be priced from 5.69 per cent and the two year fix will be priced from 5.89 per cent.

The popular [Lifetime Tracker](#) products will be streamlined from two into one product. The rate will be priced 0.27 per cent above base for LTVs of up to 80 per cent, a cut of one basis point on the previous pricing. There will no longer be a 60 per cent LTV product.

Key features on all Woolwich residential mortgages:

- Maximum flexibility: overpay, underpay & payment holidays
- Available to all existing and new customers
- No higher lending charge or early repayment charge beyond the fixed, capped or discounted period.
- Daily interest
- Flexible features on fixed rate mortgage such as overpaying by 10 per cent per year.
- Fully portable

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