

AmTrust Mortgage Loan to Value (LTV) Tracker



Product numbers increase for all high LTV (95%) options but drop for 75% LTV. However, over six times as many products available for 75% LTV borrowers compared to those with 5% deposits. Average rates drop for both 75% and 95% LTV borrowers but those with only 5% deposits continue to pay almost 50% more in monthly/annual mortgage payments.

Average first-time buyer house price



Deposit

75% LTV	Vs	95% LTV
£42,206		£8,441

Average interest rate

75% LTV	Vs	95% LTV
1.74%		3.23%

Mortgage products available on average house price



75% LTV	Vs	95% LTV
1,579		271

Average fixed monthly payment

75% LTV	Vs	95% LTV
£521		£780

Average fixed annual payment

75% LTV	Vs	95% LTV
£6,252		£9,360

Source: AmTrust Mortgage & Credit, Money Saving Expert, UK Finance, Bank of England
*Based on an average first-time buyer house price of £168,822 (UK Finance - October 2018)





“To see the average 95% LTV mortgage rate not too far away from 3% is most pleasing, and the differential between higher and lower LTV products has narrowed significantly, especially in the second half of 2018. It should however not be forgotten that the average rate for a 75% LTV first-time buyer is 1.74% and product choice for this group of potential borrowers numbers many hundreds, if not, thousands, compared to (at best) 200-plus for those with just a 5% deposit.

“Indeed, there are six times as many products available for 75% LTV borrowers and this disparity is far too great. We have seen more lenders launching products in this marketplace, and we suspect that as the ongoing uncertainty of Brexit impacts further on the housing and mortgage markets, that we’ll see many more lenders looking to diversify into this area. But, at best, this might add tens of products to the choice available, rather than the hundreds which might signal a real resurgence in the first-time buyer/high LTV mortgage market.

“Lenders do have the tools at their disposal to mitigate their risk in this area and to continue to help bring rates down and product numbers up, and we would urge them to follow the lead of many building societies that utilise private mortgage insurance in order to improve their activity in this vitally important part of the market.”

Patrick 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 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. We have been offering flexible mortgage insurance solutions to suit different lender requirements, whether 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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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.



**A.M. Best rating of “A-”
(Excellent) FSC “XV”**

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