

# FINANCIAL TIMES

**Now you see them, now you don't**

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By Elaine Moore

As well as rising interest rates, harsher lending criteria and fewer deals available, one of the biggest problems facing those looking for a mortgage is the rapidity with which new mortgage offers are being withdrawn.

The number of mortgage products has been cut back to such an extent that competitive new deals are being flooded with demand and quickly taken off the market. This week Alliance & Leicester repriced its mortgage deals for the second time in a week meaning that some rates were available for just a few days.

Compounding the problem for borrowers is an increasing number of providers have temporarily stopped doing business through intermediaries and will only accept direct business.

Thirty lenders, including Allied Irish Bank, Clydesdale Bank, Co-operative Bank, Derbyshire Building Society and Yorkshire Building Society, will no longer make offers via brokers according to analysts Defaqto.

But the time and energy required to set up deals alone could mean individuals miss out on better alternative deals, say brokers.

"There might be a great fixed rate on offer, but by the time you get a meeting with the lender, which might take a month, the deal could be gone," says Ben Thompson, director of mortgages at L&G. "With a broker, you can set up a meeting the next day." Thompson also says brokers can help borrowers to navigate the trickier aspects of lending criteria. "Some providers are promoting flashy headline rates," he says. "And borrowers should be aware that they won't suit everyone."

HSBC's offer to match homeowners current deals, to as low as 4.54 per cent, is a case in point according to Thompson. The offer has attracted a lot of press attention, but comes with some stiff requirements.

The deal is only available to borrowers directly, who must have a 20 per cent deposit. The maximum loan is £250,000 with arrangement fees that could be as high as £5,000. And the offer will only be available for five weeks.

"People need to be aware that in this market it can be nightmare pinning down deals," says Ray Boulger at John Charcol. "And by the time you find out that you are ineligible for a deal the next best one around could be much worse."

Using a broker can mean less wasted time chasing unsuitable deals. But using an intermediary does not mean you will have access to every deal going. The number of providers used by brokers can vary wildly and it's important to find out the scale of the panel your broker uses. Countrywide Mortgages, for example, selects mortgages for customers from a panel of 10 lenders. Legal & General's network extends to 35. London & Country offers the whole of the market and last year used 93 providers. Others may use two, or 100.

Boulger cautions that even "whole-of-market" brokers may not necessarily look at every provider for every case, eschewing some of the very specific providers such as Ecology Building Society.

For those who don't mind paying extra, select private property search agents will work with mortgage brokers to secure good deals when they are purchasing a house.

When the mortgage needs renewing, customers can go back to the search agent and receive assistance again.

Jeremy McGivern, managing director of property search agent Mercury Homesearch, offers clients a list of preferred brokers and says that this contact means deals can be processed quickly. One client was able to secure a multi-million pound mortgage in just 10 days.

Huntly Hooper, which was set up six months ago, goes one step further. The company charges clients 1.5 per cent of a property purchase price and in return takes on all the responsibilities of finding and purchasing a house, including setting up a mortgage deal.

"I want it to offer a complete service," says director Ollie Hooper, "which will allow clients to do literally nothing."

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