

21st November 2013 FOR IMMEDIATE RELEASE

HSBC announces details of its 'Help to Buy' mortgages

From Monday 25th November HSBC will make two fixed rate mortgages, up to 95 per cent loan to value, available to customers as part of HM Treasury's Help to Buy scheme.

All HSBC mortgage borrowers are assessed to ensure they could afford repayments at an interest rate significantly higher than the Bank of England base rate. For customers opting for a 90% to 95% LTV mortgage HSBC will ask them to acknowledge a monthly repayment illustration at a responsible long term rate. This will provide an indication of their increased monthly mortgage payment when, as expected, interest rates rise.

Details of the two fixed rate mortgages:

- **4.79%** 2-year fix – up to 95% LTV with a £99 booking fee
- **4.99%** 5-year fix – up to 95% LTV with a £99 booking fee

Brendan Cook, head of retail banking and wealth management for HSBC UK said:

“We want to support our customers, whether they are buying their first home or moving up the housing ladder. In order to protect them, we want to ensure they can afford their repayments when interest rates rise.”

In line with HSBC's responsible lending approach and to safeguard customers at this 90-95% LTV level in the event of future house price fluctuations, the bank will require them to have a minimum deposit of £10,000.

All 90-95% LTV mortgages will only be sold in the bank's branch network, and, in line with all HSBC mortgages, will not be offered through mortgage brokers. Initially the mortgages will only be available to customers looking to purchase a property, however we will look at offering these loans to remortgage customers at a later date.

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Notes to editors:

Criteria specific to the Help to Buy scheme:

- The mortgage must be for a customer to buy their only property
- Customers must be planning to live in the home and not rent it out
- The property must be in the UK
- The mortgage must be taken on a capital repayment basis
- The mortgage cannot be for a shared equity or shared ownership purchase

Relevant mortgage lending statistics for HSBC in the UK in 2012:

- Gross new mortgage lending - £16.4bn
- Approved £5bn to UK first-time buyer (FTBs)
- New approvals market share – 13.6%
- HSBC helped 177,000 borrowers including 40,500 FTBs

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HSBC Bank plc

HSBC serves 16.1 million customers in the UK and employs approximately 47,000 people. In the UK, HSBC offers a complete range of personal, premier and private banking services including [bank accounts](#) and [mortgages](#). It also provides commercial banking for small to medium businesses and corporate and institutional banking services. HSBC Bank plc is a wholly owned subsidiary of HSBC Holdings plc.

The HSBC Group

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 6,600 offices in 80 countries and territories in Europe, Hong Kong, Rest of Asia-Pacific, North and Latin America, and the Middle East and North Africa. With assets of US\$2,723bn at 30 September 2013, the HSBC Group is one of the world's largest banking and financial services organisations.