



HOMEOWNERS CUT BACK ON CHRISTMAS TO EASE RE-MORTGAGE SHOCK

Two out of three (64 per cent) re-mortgagers will be cutting back this Christmas to help meet increased mortgage repayments, according to research from Lloyds TSB Mortgages.

Seven out of ten (71 per cent) re-mortgagers expect to see a rise in their monthly mortgage repayments when their current deal expires. Lloyds TSB Mortgages questioned over 1,000 homeowners due to re-mortgage before the end of the year on how they intend to meet these increased costs.

Curbing festive spending was the top choice for homeowners looking to find additional funds, with over three quarters of under 25's admitting they will be tightening the purse strings this Christmas.

Some homeowners will be going to greater lengths to meet rising payments, as one in six re-mortgagers (18 per cent) plans to take on extra part time work to help meet increased costs, with this figure rising to one in four among under 35's.

Alison Burns, director of network mortgage sales, Lloyds TSB comments:

“Cutting back on festive spending offers a short term solution but it's a good idea for people with mortgages to take a longer term view of their financial situation to ensure their mortgage is suited to their specific needs and changing circumstances. Some consumers may prefer a stepped rate deal that allows them to ease into the new higher interest rate environment. Other homeowners might opt for a tracker product, which will enable them to benefit from any potential drops in interest rates.”

More than half (51 per cent) of homeowners questioned by the bank will be looking to make reductions on other household bills and would consider switching suppliers to

keep costs down. Almost a third (32 per cent) plan to reduce food expenditure by taking lunch to work and eating out less. A further third (35 per cent) of homeowners reveal they will be putting travel plans on hold, with a quarter admitting that home renovation plans are likely to be left undone.

Younger homeowners will be making some major lifestyle changes, with one in twenty moving in with a partner and the same amount opting to bring in a lodger to help meet rising costs.

Notes to editors:

Favoured methods for finding extra funds

1. Cutting back on Christmas spending (64 per cent)
2. Reducing other household bills, e.g. switching suppliers (51 per cent)
3. Put travel/holiday plans on hold (35 per cent)
4. Cutting down on food costs, i.e. bring lunch to work, stop eating out (32 per cent)
5. Put home renovation/ redecoration plans on hold (22 per cent)
6. Seek extra part time work (18 per cent)

- Full information on the Lloyds TSB range of mortgage products is available online at www.lloydstsb.com/mortgages
- Research conducted between 24th September and 1st October 2007 by Ciao with 1000 homeowners due to re-mortgage by the end of the year.

For more information:

Amanda Glover /Eleanor Ross
LTSB Press Office
Tel: 020 7356 20201/ 020 7356 1714
E: firstname.surname@lloydstsb.co.uk
www.mediacentre.lloydstsb.com