

## MEDIA ALERT

### **KENSINGTON MORTGAGES PARTNERS WITH ROTHESAY TO LAUNCH A NUMBER OF NEW LONG-TERM, FIXED RATE MORTGAGES UP TO 40 YEARS**

- ***Kensington's new 'Flexi Fixed for Term' allows borrowers to fix the interest rate on their mortgage for the full term of the loan so that the monthly payment will never change within the term***
- ***The product will be wholly funded by Rothesay Life Plc ('Rothesay'), the UK's largest specialist pensions insurer***
- ***At 60% LTV, rates start from 2.83% for a 15-year term, 2.85% for 25-year and 2.90% for 30-year***
- ***At 95% LTV, rates start from 3.71% for a 25-year and 3.77% for a 30-year. 5% deposit and higher affordability will help renters and younger buyers on to the housing ladder***
- ***No early repayment charges apply if the client sells or moves home, and overpayments are allowed up to 10% per calendar year***

**Monday 22 November 2021:** Kensington Mortgages today announces its first long-term fixed rate mortgage, available from Tuesday 23 November. The 'Flexi Fixed for Term' allows borrowers to fix the rate paid on their mortgage for the full term of the loan - anywhere between 11 to 40 years. Within this term, monthly payments will not change – giving borrowers certainty and peace of mind.

Recent research from Kensington Mortgages reveals that 83% of homeowners and renters would consider a long-term fixed rate mortgage if it provided greater certainty of mortgage repayments. To bring this innovative product to market, Kensington has partnered with Rothesay, the UK's largest specialist pensions insurer, who will provide funding. Rothesay specialises in investing in long-term, high quality and secured assets like these mortgages as they are well matched to the long-term pension liabilities it protects.

Rates depend on the fixed term chosen and amount borrowed but are available up to 95% LTV for new purchases, or 85% LTV for remortgage, and start from 2.83% at 60% LTV for a 15-year term. Rates on a 25- and 30-year term, at 60% LTV, are available from 2.85% and 2.90% respectively. Rates on a 25- and 30-year term, at 95% LTV, are available from 3.71% and 3.77% respectively.

Affordability is based on the fixed interest rate, not on a higher SVR stress rate. Many clients may therefore be able to borrow more as a result, a significant benefit for first time buyers or those looking to buy a more expensive property. At the heart of this product is security and being able to plan for the long-term.

Kensington's 'Flexi Fixed for Term' is also portable. The mortgage can be transferred to a new property; the rate and fixed monthly payment will remain the same.

Other benefit options include free legals and no product fees. Eligible gifted deposits are also accepted. A 0.75% proc fee will be paid on completion to brokers, including mortgage clubs and networks.

No early repayment charges apply if moving home, selling, or a critical illness and/or death occurs. Overpayments are allowed up to 10% per calendar year of the original balance. If a client would like to borrow more money, they have the ability to apply for a further advance, with the option available after 12 months subject to affordability.

**Mark Arnold, CEO, Kensington Mortgages, comments:**

“Over the last 12 years we have become accustomed to ultra-low interest rates. Many homeowners have never known anything else. But nothing lasts forever, and it looks very likely that we will see a succession of interest rate hikes and we may begin to slowly approach again an historical average. A fixed for term mortgage - already very popular in some parts of continental Europe - is likely to become increasingly attractive in a rate rising environment.

“No two people or their circumstances are the same. Whether you're a first-time buyer or homeowner wanting an affordability boost, a self-employed worker worried about remortgaging, or someone wanting greater certainty on monthly repayments – our new Flexi Fixed for Term can help. With one fixed monthly payment until the mortgage ends, extra borrowing power, and added flexibility for any life events that may happen, it is that simple.

"A long-term fixed rate mortgage may not always be suitable for everyone, which is why we've offered as much flexibility as possible with this product. For others, it could be the only way to afford a property. Our latest research found out that one-quarter of renters who attempted to purchase a home in the last five years were unsuccessful and of these, more than a fifth did not pass affordability checks and a quarter could not borrow as much as they needed. These products could be a serious alternative for getting people onto the property ladder who otherwise would be excluded."

**Prateek Sharma, Chief Investment Officer, Rothesay, adds:**

“As the UK's largest specialist pensions insurer, Rothesay is well-positioned to support these long-term loans which have an important role to play in the market. We are always looking for innovative ways to invest in long-term, secured and high quality assets, and firmly believe that these mortgages can provide the certainty that many borrowers are looking for. Through our partnership with Kensington, we're pleased to support the Government's ambition to make new types of mortgage products available which are purposefully designed to help increase home ownership while providing long-term security.”

**Economic Secretary to the Treasury John Glen said:**

“I am delighted to see new products like this, and am always pleased to see innovation in the mortgage market in the UK. Greater product choice creates more competition and more options for consumers, in this case particularly those who value certainty in their repayments over a longer period of time.”

**Notes to editors**

Full list of available rates, FAQs and terms and conditions available on request.

**Press contacts**

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**About Kensington Mortgages:**



Kensington

Kensington is the UK's leading non-bank specialist mortgage lender.

# Rothesay

Our 25-year heritage in specialist mortgages means that we understand better than most that no two people are the same. We use a combination of data and human insight to look beneath the surface, and unlike mainstream lenders, who all too often rely on what the computer says, we use real people to make our decisions. It's this "head and heart" approach which is the key to what we call the #KensingtonDifference.

With assets under management of over £11billion, Kensington services c£5billion assets for third parties. It originated c£1.4billion of new mortgages in 2019 representing a CAGR of more than 25% over the last four years. Kensington is one of the most frequent issuers of residential mortgage backed securities in the UK with 23 securitisations totalling over £13billion since 2015.

For more information visit [www.kensingtonmortgages.co.uk](http://www.kensingtonmortgages.co.uk) or join the conversation on LinkedIn @KensingtonMortgages and Twitter @KensingtonChat

### **About Rothesay:**

Rothesay is the UK's largest pensions insurance specialist, purpose-built to protect pension schemes and their members' pensions. With over £60 billion of assets under management, we secure the pensions of more than 850,000 people and pay out, on average, approximately £230 million in pension payments each month.

Rothesay is dedicated to providing excellence in customer service alongside prudent underwriting, a conservative investment strategy and the careful management of risk. We are trusted by some of the UK's best known companies to provide pension solutions, including the schemes of Allied Domecq, Asda, British Airways, Cadbury's, the Civil Aviation Authority, National Grid, the Post Office, Prudential and telent.

Rothesay has two substantial institutional shareholders, GIC and Massachusetts Mutual Life Insurance Company ("MassMutual"), who provide the .company with long-term support for its growth and development. In September 2020, our shareholders increased their investment in Rothesay through a transaction which valued the business at £5.75bn.

Rothesay refers to Rothesay Limited and its subsidiaries and is the trading name for Rothesay Life Plc, an insurance company authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Firm Reference Number: 466067. Rothesay Life Plc is registered in England and Wales with company registration number: 06127279 and registered address: Rothesay Life Plc, The Post Building, 100 Museum Street, London WC1A 1PB. Further information is available at [www.rothesay.com](http://www.rothesay.com)