

Understanding Mortgage Rates

A simple guide to what they are – and what actually affects them.

What Are Mortgage Rates?

Mortgage rates are the cost of borrowing money to buy a home. Think of them as the “price” of your mortgage – shown as a percentage.

They influence:

- Your monthly payments
- The total amount you repay over time

Why Do Mortgage Rates Change?

Rates move for lots of reasons, including:

- The Bank of England base rate
- Inflation
- The wider economy
- Lender competition
- Your personal circumstances

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What Affects Your Rate?

Lenders look at:

- Your credit history
- Deposit size
- Income & affordability
- Type of property
- Type of mortgage (fixed, tracker, variable)

Fixed vs Variable Rates

Fixed Rate

Stays the same for a set period

Predictable payments

Great for budgeting

Variable / Tracker Rate

Can go up or down

Moves with the Bank of England base or the lenders standard variable rate

Offers flexibility - (some will allow unlimited overpayments and no early redemption charges if you pay the mortgage off early).

Why do rates Matter?

Even a small change in rate can affect:

Monthly payments

Long-term affordability

How much you can borrow

But remember — the “best” rate isn’t always the cheapest one.
It’s the one that fits your situation.

How can we help?

At Lilywhite Mortgages, we:

Explain your options clearly

Compare lenders for you

Help you understand what’s affordable

Support you from first chat to completion

You don’t need to figure this out alone — we’re here to guide you.

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Your Home (or property) may be repossessed if you do not keep up repayments on your mortgage or any other debts secured on it. Some forms of Buy to Let mortgages are not regulated by the Financial Conduct Authority. A fee may be charged for mortgage advice. The exact amount will depend on your circumstances.

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