

Newsletter May 2010



Riots in Athens, a vast oil spill in the Mexican gulf, volcanic ash disrupting air traffic over Europe and a hung parliament in London is the turbulent backdrop for May's newsletter.

But we do have stability with the Bank of England Base Rate, now kept at 0.50% for the last fifteen months. Not good for savers but very good for those with or about to get mortgage debt. Amongst other topics, in this issue I'll be commenting on the current situation with our mortgage market.

Best wishes,

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<p><u>Inside this issue:</u></p> <ul style="list-style-type: none">• Mortgage update• Product highlight – Private medical insurance• News in brief• Quick quiz	<p>Word count: 831</p> <p>Time to read: 4 minutes</p> <p>Key messages in bold</p>
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Mortgage update

A **new lender** is set to enter the market. Aldermore will offer products for Prime borrowers turned down by lenders who prefer high credit scores and big deposits. They will also offer Buy-to-Let mortgages.

The Financial Services Authority has granted **Metro Bank** the first full service banking license for a new high street bank since the 19th century.

Portillon is another new lender waiting for funding and **Virgin Money** will launch a mortgage range later this year.

Lenders have told the Bank of England they expect to release higher Loan to Value deals in the next three months.

All this is good news, however **self-certified and impaired credit borrowers** are still left out in the cold with **no immediate prospect of innovative funding** and still in the FSA's firing line.

Your property may be repossessed if you do not keep up repayments on your mortgage

The FSA does not regulate some forms of Buy to let mortgages

For mortgages we charge a fee, usually £299 or we can be paid by commission

Product Highlight – Private Medical Insurance (PMI)



What is it?

The NHS is focussed on dealing with serious or life threatening illnesses but **more than 284,377 people waited longer than six weeks for NHS treatment in January this year.** This doesn't include people waiting for specialist consultations and diagnosis.

Private medical insurance enables you and your family to bypass the queues and gain prompt access to private treatment and the choice of hospital.

Why else should you consider PMI?

- Private hospitals are possibly cleaner (MRSA, think Leslie Ash)
- Better service
- Comprehensive cancer treatment and care
- More comfortable – private bed
- Dedicated nurse service
- It is not as expensive as you may think

Why review your cover?

- Cheaper and better cover may be available
- First year and No Claims discounts offered

Please contact me if you'd like more information or a quote.

News in Brief

New Best Financial Solutions website

I've given www.bestfs.co.uk a make-over. Please let me know what you think.

Also, if you're a business owner please let me know your website address as I'd like to add it to the links section to help promote it.

Stamp Duty

In case you missed it, **no stamp duty will be paid on purchases up to £250,000 for First Time Buyers for two years.** The new rules state that in order to qualify for the stamp duty holiday:

- The purchaser - or all purchasers if buying jointly - must be buying their first home
- They cannot have previously owned another property anywhere in the world
- They must be buying somewhere that will be their only or their main home
- The completion date is between 25 March 2010 and 25 March 2012.

From 6th April 2011 duty will be 5% instead of 4% for £1m+ properties.

Quote:

"I will not allow house prices to get out of control and put at risk the sustainability of the recovery" Gordon Brown First budget speech 1997

Quick Quiz

Just for fun.

Five questions to test your financial knowledge.

Scroll down for the answers.



- 1) Who is this man?
- 2) What was the rate of inflation in 1979 when Margaret Thatcher came to power?
A) 7% B) 17% C) 27%
- 3) Based on GDP, who has the richest economy, Great Britain or France?
- 4) Which country has the highest level of public debt compared to GDP?
A) Iceland B) Japan C) Zimbabwe
- 5) How much is the full weekly state pension for a single person?
A) £97.65 B) £124.98 C) £156.42

Answers to Quiz.....

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- 1) Mexican, Carlos Slim Helo, the richest man in the world, worth \$53.5 billion.
- 2) C) 27%
- 3) Great Britain
- 4) C) Zimbabwe at 304.3%
- 5) A) £97.65 p.w.

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