

Lawrence Miller & Co

Spring 2009

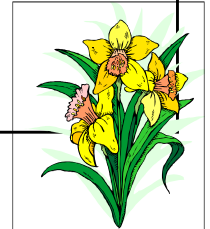
Independent Financial Advisers

Pembroke House, Ty Coch Lane, Llantarnam Park, Cwmbran. NP44 3AU
28 Cathedral Road, Cardiff. CF11 9LJ

0800 376 4500

www.lawrencemiller.co.uk

Authorised and Directly Regulated by the Financial Services Authority



UK Mortgage Rates

See opposite for a list of what key lenders are offering in the way of mortgage deals. With Bank of England Base Rate at .5%, it is staggering to think that the mortgage market is not more competitive. The biggest problem is the ratio of loan to value with 40% deposit/equity being required to obtain the best deals. Home owners who, 2-3 years ago, had equity in their homes of 25% will have seen that cushion whittled away to perhaps nothing or less, making it impossible for them to obtain a re-mortgage deal at a time when they sorely need to move to the most competitive rate available.

Based on these figures, a homeowner who bought 2 years ago will have needed to put down a deposit of 50% or more to have any chance of now securing the most competitive re-mortgage deal. Furthermore, it seems the average underwriting criteria is so stringent that many people who 2 and 3 years ago were considered low risk are finding it difficult to fulfil lenders' minimum criteria, despite there often being no change in that person's status.

If your mortgage deal is near to its end or you think advice may be necessary, please contact us sooner rather than later as the process is very likely to be far more complicated than was the case last time.

Hopefully lending will ease up considerably over the coming months. However, we are not confident that all the skeletons in the banks' cupboards have been found and it will be some time yet before lending returns to any kind of even keel. This has to happen before property prices can stabilise, this being the vicious circle that is helping to perpetuate such a savage recession.

Nationwide have actually increased their mortgage rates, while rates for savers continue to fall. Incredible. Despite this, the Government desperately need to improve the flow and availability of money, not worry about its cost. Hopefully the measures announced last week, in terms of money supply, will have an early impact.

Northern Rock

Max LTV 85% 6.29% - 2 year fixed
75% LTV 4.09% - 2 year fixed
65% LTV 3.89% - 2 year fixed

Cheltenham & Gloucester

Max LTV 90% 6.59% - 5 year fixed
85% LTV 5.89% - 2 year tracker (3.89% above BoE)
75% LTV 4.19% - 2 year fixed
60% LTV 3.89% - 2 year fixed

75% LTV 3.49% - 3 year tracker (2.99% above BoE)
60% LTV 3.19% - 3 year tracker (2.69% above BoE)

Alliance & Leicester

Max LTV 85% 5.99% - 3 year fixed
75% LTV 2.99% - 2 year fixed
60% LTV 2.79% - 2 year fixed

Nationwide

Max LTV 85% 5.83% - 2 year fixed
75% LTV 4.18% - 2 year fixed
60% LTV 3.98% - 2 year fixed

Woolwich

Max LTV 70% 4.69% - 2 year fixed
60% LTV 4.19% - 2 year fixed

—//—

LTV = ratio of loan to value

NB All applications are subject to status, underwriting and the lender's discretion. Applications are also subject to fees in, for example, the form of valuations and booking fees. Specific costs can be confirmed only through a personalised illustration.

The above figures are indicative only as rate are changing weekly.

Your Home May Be Repossessed If You Do Not Keep Up Repayments On Your Mortgage

ndcs.org.uk

jtc.org

Supporting Deaf Kids And Their Families In The UK And Worldwide

A £50.00 M&S Voucher went to Peter & Jean O'Donnell for correctly telling us that Brown, Major, Callaghan and MacMillan were the 4 post war chancellors who went on to become PM

For a £50.00 M&S Voucher, can you tell me who was chancellor of the exchequer when the state pension was introduced? One winner only!!

Answers on a virtual post card to: feedback@lawrencemiller.co.uk

Financial Regulation

We are bound to comment on the catastrophe that is financial services regulation in this country. The regulator's complete failure to protect the industry from itself and the influence of other economies has been exposed, despite a string over failures over the years, such as Equitable Life, Maxwell, Northern Rock, Bradford & Bingley to name but a few. In the last 6 weeks we have begun to see why with the revelation that those at the head of the banking industry were also running financial regulation. No wonder Lord Adair Turner, the new boss of the Financial Services Authority, commented last week that there is to be a 'revolution' at the FSA. Fine, but the horse is long gone and the stable door is hanging off its hinges.

Clearly the FSA is not fit for purpose. It has presided over the collapse of the UK banking sector which has resulted in this recession being far more severe and profound in its impact than otherwise would have been the case. Why did it not occur to the FSA that other banks may be following a similar business model to Northern Rock? How can it be possible for a bank manager to be on the Board of the FSA? These are not complicated issues. In terms of the FSA's role, a thorough understanding of the banks activities would seem to be a prerequisite. Who is setting the example? What confidence can we have that government sponsored regulation can control the banks, given their central role in our economy. None it seems.

The news last month that Sir Fred Goodwin has retired at 50 from RBS with a pension pot of £16m, drawing £13,000 per week is utterly nauseating and everything possible should be done to see that he only gets what he deserves. However, while bonuses and remuneration to bank bosses is great way for us to vent our frustration, it isn't the root of the problem, it is the result. Company directors have a duty to pursue profit on behalf of their shareholders and shareholders want the very best people to pursue that profit. The system that regulates their activities is what needs change. My concern is that so little has been done for so long that the industry will retrench to a position where legitimate and sound business models will be inhibited because of the extreme behaviour of the banks. In financial services, extremes are rarely the answer. The response should be measured yet firm. Regulation should start at the top and permeate every aspect of the industry in relation to importance. It is utterly pointless ensuring advice is highly regulated if, after the adviser has done their best, the outcome is undermined because large swathes of the industry have an incestuous relationship with the regulatory body, rendering it at best inept and at worse, perhaps, criminally negligent.

**Last call for pension and ISA contributions before the end of the current tax year!
If you wish to act before the deadline, call us NOW on 01633 869000.**

Arts & Business Cymru

We are delighted to announce that Lawrence Miller & Co is now member of Arts & Business Cymru. We have also become involved in a number of strategic partnerships with various arts organisations involving a number of applications to Arts & Business with regard to targeted and project funding.

The Arts is a subject close to our hearts. William Harris has long been a supporter of local arts initiatives and we are thrilled to put this support on a formal footing through membership of Arts & Business. We look forward to updating you on a number of joint initiatives designed to sponsor local arts groups, including performing arts, education and tuition and individual sponsorship of the area's most promising musicians.

For more information go to www.aandb.org.uk