

**For immediate release, Monday 7 August 2006**

**SCOTTISH WIDOWS BANK ENHANCES GRADUATE MORTGAGE  
INCOME MULTIPLIER**

Scottish Widows Bank has announced an enhancement to the income multipliers available on its Graduate Mortgage product, with effect from the 7<sup>th</sup> August.

The increased multiplier will be available to graduate applicants who need to borrow more than the Bank's standard multipliers. The Bank will assess each borrower's individual financial circumstances, and where affordability can be demonstrated, enhanced income multiples may now be offered.

Customers who fit the criteria for the 5 times multiplier will be offered a new 5 year stepped fixed rate product (see rates at foot of page).

Guidance Notes

<b>Gross Income</b>	<b>~Income Multiplier</b>
Single (minimum income £25k)	5 x
Joint - Graduate (minimum income £25k) plus non Graduate	5 x Graduate income + 1 x non Graduate
Joint – 2 Graduates (joint income £30k - £50k)	3.5 x joint
Joint – 2 Graduates (joint income £50k +)	4 x joint

The new income multiples will be offered to customers on a 5 year stepped fixed rate basis. The rates are as follows:

- Year 1                    **5.29%**
- Year 2                    **5.49%**
- Year 3, 4 & 5        **5.99%**

Gordon Bowden, Business Development Director, Scottish Widows Bank said:  
“With the challenges facing today's first time buyers, it is key for lenders to offer realistic solutions to meet the changing needs of the market. Rising house prices and difficulties in saving for a deposit mean that more and more first time buyers are struggling to get that first foot on the property ladder.

“This enhanced product offering is designed not only to help graduates purchase their first property at current market prices, but also to make repayments affordable by offering stepped interest rates in-line with expected salary increases.”

## ENDS

Notes to Editors:

Our Graduate 5 Year Stepped Fixed Rate mortgage will be available with the enhanced salary multiples based on the applicant meeting the following criteria:

- To qualify for a Graduate Mortgage, applicants must be between the ages of 21 and 35 with a recognised degree from a UK university.
- Sustainable income – minimum income of £25,000 for single applicant.
- Subject to affordability.
- Applicants must have good credit history.
- Available on 5 Year Stepped fixed Rate only.
- The new pricing will be an option for applicants wishing to borrow more than 4 x single salary or 2.75 x joint.
- No change to existing booking fee structure.

For further information, please contact –

Murdo McHardy  
Head of Product Development and Marketing  
Scottish Widows Bank  
Tel. 0131 655 6818

Paul Ferguson  
Press Officer  
Scottish Widows  
Tel. 0131 655 6818  
paul.ferguson@scottishwidows.co.uk

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