

48-hour mortgage deal is quickest ever

Firms' new technology allows buyers access to 'instant' home loans

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BRITAIN'S fastest-ever mortgage deal has been recorded on a house in Scotland as home-buyers rush to take advantage of a new breed of "instant" loans.

The agreement was completed within 48 hours on a £140,000 house in

Bishopbriggs, near Glasgow. The quick completion was made using new technology, introduced by at least two major lenders in recent weeks, which brings credit history, land registry and property-value data into one place, so that decisions can be made without the need to wait for paperwork.

Brokers have hailed the instant mortgages as "the biggest step forward in many years", but experts have warned they are unsuitable for certain groups such as first-time buyers.

Darren Cook, of the financial advice firm Moneyfacts, said: "These quick mortgages are new on the market and will create competition, which in turn is good news for consumers. It is possible

the bigger lenders will now follow suit by speeding up their processes."

The 48-hour mortgage was sold through Glasgow broker Moneyquest to a home-owner seeking to remortgage their house. The loan request was made at noon on 6 September, the offer was generated 23 minutes later and the funds were released on 8 September at 9:42am.

Derek Pollard, the sales director of Moneyquest, said: "In this instance, the customer already had a mortgage and was looking for a way of tidying up the finances.

"We were able to bring the customer's credit history, financial information and property details in one place so that

the lending company could make a quick decision.

"Because of the way they work, the big High Street lenders aren't able to complete mortgages so quickly, but that will change as the marketplace demands faster transactions."

He added: "Obviously it isn't possible to give instant decisions for the likes of first-time buyers or buyers without the right credit history, but for others this will cut out a lot of the hassle."

The Bishopbriggs loan was provided by GMAC-RFC, Britain's tenth-largest mortgage lender, which introduced the new technology to its brokers this month. A rival lender, Edeus, is to introduce instant mortgages next week,

while HBOS, Britain's biggest mortgage lender, said it would be introducing similar technology later this year - its typical timescale for completion of a mortgage is currently "about a week".

A spokesman for the Council of Mortgage Lenders said: "There is no data which records how fast mortgages have been completed, but 48 hours does sound extremely quick.

"The market will dictate the changes in the way mortgages are provided, so if some customers want faster mortgages then that will be provided. In many cases, house-buyers will still want to talk through the process and reflect on it at each stage, and providers will have to cater for the more cautious buyer."