

ATOM and Rooftop join forces to woo select first-time buyers

All Types of Mortgages (ATOM) has joined the wave of lenders wooing first-time buyers who can afford significant rent payments.

Rooftop will be funding the new product, which will be piloted through ATOM for one month. Repayments will be based on applicants' current rent payments.

Dale Jannels, sales and marketing director at ATOM, said the current climate of the mortgage market was encouraging this type of product.

He said: "Rooftop has recognised there is still a large gap in the market with assisting first-time buyers. This product aims to fill that gap and will assist a number of first-time buyers making the transition from renting to homeownership. I think we will be seeing a lot of niche areas in the market that lenders will be trying to exploit."

Buyers will have to prove they have successfully been renting for the last 12 months. Income multiples will be offered at 5.5x single and 3.75x joint income.

Wayne Unsworth, IFA at Hallmark-IFA, said he thought the product sounded very 'innovative and useful'. He commented: "Most income multiples are less generous than that. If it helps people afford a mortgage it is an obvious replacement for renting."

Rooftop's move came as Advantage released a product splitting the mortgage loan between a conventional mortgage and a residential ownership loan of between 15% and 35% of the property value. As a result, Advantage will share in future increases or decreases in the value of the property (*mortgagesolutions-online.co.uk*, 26/06/06).