



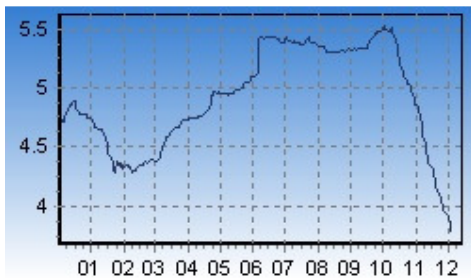
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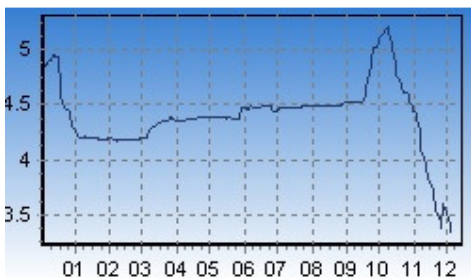
EURO rates falling!

Euribor is the interest rate at which a large number of European banks do provide short term loans to one another. Banks which borrow money from other banks can use these funds to provide loans to other parties. In fact, Euribor is the purchase price a bank does have to pay for a short term loan.

Of course, most banks lend money to clients by providing mortgages. The interest rate which has to be paid often follows - in the majority of European countries - the Euribor-rate. When the Euribor rate increases then the interest which has to be paid increases as well and vice versa. There is a direct relation between the rate at which the lender borrows from the Money Markets and then how much they charge for lending. When you opt in for a mortgage based upon an adjustable interest rate (also know as a floating rate or variable rate mortgage), you will likely pay the Euribor rate (often the Euribor 12 month or, more rarely, the 1 month rate) plus a fixed margin, for example, Euribor +1%.



Euribor 12 months rate - 2008 (Source: <http://www.euribor-rates.eu/euribor-charts.asp>)



Euribor 1 month rate - 2008 (Source: <http://www.euribor-rates.eu/euribor-charts.asp>)

Mark Mountney, the proprietor of Rose Financial Planning, is a specialist mortgage brokerage and Independent Financial Advisor. He is a fully qualified mortgage and financial adviser in the UK with some 10 years experience in managing his own firm. Mark was also a founder of The Association of Mortgage Intermediaries, the trade association for mortgage advisors in the UK with 28,000 members. See www.rosefp.com or call 0034 677 874 948.