The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

VTB 24, Housing Mortgage Agency Cutting Loan Rates

By The Moscow Times

May 21, 2013



Less expensive borrowing on the securities market is allowing the Housing Mortgage Agency to pass on savings. **Ekaterina Kuzmina**

Following Sberbank, two other major players on the mortgage market, VTB 24 and the Housing Mortgage Agency, announced that they are cutting lending rates, Vedomosti reported.

The companies said Monday they were lowering the rate by 1 percent.

VTB 24 reconsidered all of its rates — and not all them were lowered, said mortgage lending department director Andrei Osipov.

"For example, we cut by 1 percent the rate for the longest-term loan with a small downpayment, but the loan for seven years with a big downpayment, on the contrary, became more expensive," he said.

The existing level of the rates is too high, Osipov believes. At the rate of 13 percent, which is the average mortgage rate, the monthly payment on the loan exceeds the rent of a similar apartment twice or thrice, he said.

However, he doesn't expect the rates on the market to go down. On the other hand, they are unlikely to grow either because they are high as it is, he said.

At the mortgage agency, loans provided under the Standard brand now have an interest rate of 9.2 percent to 11 percent if the downpayment is 50 percent.

The rate went down thanks to cheaper resources borrowed on the securities market, the agency's mortgage director, Marina Malaichik, said. The agency borrowed 20 billion rubles ($645 million) at the rate of 7.75 percent in two bond placements earlier this year.

Original url:
https://www.themoscowtimes.com/2013/05/21/vtb-24-housing-mortgage-agency-cutting-loan-rates-a24209