



Charley on  
MS

10 DOWNING STREET

From the Private Secretary

Prime Minister

Midland Bank today increased its mortgage rate from  $10\frac{3}{4}\%$  to  $11\frac{1}{4}\%$  (11.7% true annual rate). This is the first increase since November 1982 and represents a catching rate to Building Societies, also on  $11\frac{1}{4}\%$  (11.8% APR)

At the same time Midland are increasing their allocation for mortgage lending from £300 million to £500 million this year.

This move does not represent any increase in interest rates generally.

Lloyds has also raised its rate from 11 to  $11\frac{3}{4}\%$ .

AT 6/11