

Tracker

Monthly payments can change frequently with tracker mortgages. This is because the monthly amount you pay goes up and down as interest rates go up and down.

The rate of interest used in tracker mortgages is usually set slightly above a base rate that is "tracked", such as the Bank of England's base rate. So, if the Bank of England's base rate is 4%, the mortgage lender may set their rate at 4.75%. Any change in interest rate is applied automatically, immediately or very quickly after the change, so the monthly payment changes also changes quickly.