

Bank of England Eases Mortgage Rules as Nvidia Hits \$4 Trillion

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The Bank of England has announced a relaxation of mortgage lending rules to allow lenders to offer more high loan-to-income mortgages, a move aimed at easing the path for first-time buyers. Meanwhile, US chipmaker Nvidia has become the first publicly traded company to briefly reach a \$4 trillion market capitalisation, a milestone that signals the scale of the ongoing artificial intelligence surge.

On mortgage policy, the Bank's Financial Policy Committee will now permit individual banks and building societies to exceed the previous 15 percent cap on high loan-to-income mortgages, though the overall sector limit remains unchanged. High loan-to-income (LTI) mortgages are defined as those exceeding 4.5 times a borrower's income. The Bank reports that such lending represented just 9.7 percent of new mortgages in the first quarter. The change should allow around 36,000 additional high-LTI mortgages each year, particularly assisting first-time buyers who struggle to save for large deposits.

Governor Andrew Bailey and Deputy Governor Sam Woods emphasised that this adjustment strikes a balance, supporting home ownership while maintaining financial stability, as capital buffers remain "broadly appropriate". The Bank also announced it will review bank capital requirements and present findings in its December Financial Stability Report.

In separate market news, Nvidia briefly reached a \$4 trillion valuation during intraday trading, becoming the first company to touch this landmark. Shares rose approximately 2–3 percent as the chipmaker's stock continued its rapid ascent, driven by ballooning demand for artificial intelligence (AI) applications and data centre hardware. Analyst Daniel Ives of Wedbush Securities described this moment as a reflection of "the next stage of the AI revolution."

Nvidia's climb is notable even among US giants. While Microsoft and Apple hover around \$3–3.8 trillion market caps, Nvidia has surged through \$1 trillion in 2023, reached \$2 trillion and \$3 trillion in the following years, and now stands as a symbol of AI-led growth. The advance has been fuelled by exponential gains in AI chip demand, with

the stock up over 25 percent in the past year and more than 1,400 percent over five years.

The impact of Nvidia's rise is not merely symbolic; it underscores the scale of global investment in AI and highlights how technological leadership is reshaping market valuations. Yet with such rapid expansion comes challenges: cost inflation, geopolitical trade tensions, and competition could all test Nvidia's position.