

MLAR STATISTICS: December 2013 edition

Part I Summary Tables

Residential loans to individuals (Regulated + Non-regulated)

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MLAR: Summary (1) - Residential loans to individuals

		2012 Q2	2012 Q3	2012 Q4	2013 Q1	2013 Q2	2013 Q3	
Residential loans to individuals: Regulated + Non Regulated								
A	New business volumes							
	Gross advances	£m	36,927	39,595	39,397	33,981	41,649	49,512
	Net advances	£m	4,663	5,602	4,208	1,221	5,121	7,206
	New commitments	£m	39,811	35,934	36,893	35,456	47,512	50,464
B	New Business characteristics: Gross advances (GA)							
	<u>Interest rates: basis and average rates</u>							
	Per cent of business at fixed rates	%	56.39%	55.98%	63.55%	70.69%	75.27%	77.32%
	Overall weighted average interest rates:							
	Fixed rate loans	%	4.22%	4.33%	4.10%	3.80%	3.58%	3.40%
	Variable rate loans	%	3.20%	3.32%	3.30%	3.28%	3.14%	3.07%
	All loans	%	3.78%	3.89%	3.81%	3.65%	3.47%	3.32%
	<u>Purpose of loan</u>							
	(i) As per cent of GA (£ amounts)							
	House purchase	%	62.40%	66.24%	66.04%	63.37%	64.95%	67.60%
	<i>Of which</i> : First time buyers	%	16.46%	18.22%	19.10%	18.24%	19.10%	20.03%
	Buy to let	%	10.60%	10.41%	11.04%	12.05%	12.12%	11.83%
	Other	%	35.35%	37.61%	35.91%	33.07%	33.74%	35.74%
	Further advances	%	3.43%	3.15%	2.83%	3.51%	2.99%	2.69%
	Remortgage	%	30.87%	27.19%	27.86%	29.44%	28.26%	26.56%
	Other	%	3.30%	3.42%	3.27%	3.68%	3.80%	3.16%
	(ii) As per cent of New Commitments (£ amounts)							
	House purchase	%	64.57%	65.49%	63.52%	62.86%	67.07%	64.91%
	Remortgage	%	28.86%	29.17%	30.80%	30.77%	27.48%	30.07%
	Other	%	6.58%	5.35%	5.68%	6.37%	5.45%	5.01%

MLAR: Summary (2) - Residential loans to individuals

		2012 Q2	2012 Q3	2012 Q4	2013 Q1	2013 Q2	2013 Q3	
Residential loans to individuals: Regulated + Non Regulated								
B	New Business characteristics: Gross advances (GA) - continued							
	<u>Loan to Value (LTV) and Income Multiple</u>							
	LTV: Per cent of GA (£ amounts)							
	<75%	67.28%	68.10%	66.26%	67.02%	65.23%	65.11%	
	75 < 90%	30.32%	29.58%	31.65%	30.90%	32.29%	32.74%	
	90 < 95%	1.76%	1.87%	1.71%	1.62%	2.02%	1.69%	
	Over 95%	0.64%	0.44%	0.37%	0.46%	0.46%	0.46%	
	High Income Multiple by LTV: Per cent of GA (£ amounts)							
	Over 90 < 95%	1.02%	1.11%	1.03%	1.02%	1.31%	1.05%	
	Over 95%	0.30%	0.27%	0.20%	0.25%	0.29%	0.27%	
	All over 90%	1.32%	1.38%	1.22%	1.27%	1.60%	1.32%	
	<i>NB: High income multiples are:</i>							
	<i>Single income: 3.50 x or more</i>							
	<i>Joint income: 2.75 x or more</i>							
	<u>Credit History: as per cent of GA (£ amount)</u>							
	Loans with impaired credit history	0.27%	0.25%	0.29%	0.24%	0.20%	0.19%	
	Loans without impaired credit history	99.73%	99.75%	99.71%	99.76%	99.80%	99.81%	
C	Loan book position at end of period							
	<u>Loan balances outstanding at end of period</u>							
	Unsecuritised	£m	1,099,894	1,102,516	1,106,221	1,109,628	1,113,717	1,122,677
	Securitised	£m	123,584	124,803	122,444	118,315	115,998	111,112
	Overall residential loans to individuals	£m	1,223,477	1,227,319	1,228,665	1,227,942	1,229,715	1,233,790

MLAR: Summary (3) - Residential loans to individuals

2012 Q2 2012 Q3 2012 Q4 2013 Q1 2013 Q2 2013 Q3

Residential loans to individuals: Regulated + Non Regulated

D

Arrears & Provisions: Unsecuritised & Securitised loans

Arrears cases at end of Qtr

Number of loan accounts	See Notes	Units	296,484	303,163	297,572	299,520	292,178	278,355
Balances outstanding		£m	29,927	30,140	29,558	29,336	28,472	27,039
Balances as per cent total loan balances		%	2.45%	2.46%	2.41%	2.39%	2.32%	2.19%

Arrears cases at end of Qtr analysed by degree of severity

(i) Balances in arrears as per cent of total loan balances

1.5 < 2.5% in arrears	%	0.76%	0.76%	0.74%	0.74%	0.72%	0.68%
2.5 < 5% in arrears	%	0.80%	0.80%	0.79%	0.79%	0.77%	0.73%
5 < 7.5% in arrears	%	0.32%	0.32%	0.32%	0.31%	0.30%	0.29%
7.5 < 10% in arrears	%	0.15%	0.15%	0.15%	0.14%	0.14%	0.14%
Over 10% in arrears	%	0.24%	0.24%	0.24%	0.24%	0.24%	0.23%
In possession	%	0.18%	0.18%	0.16%	0.15%	0.14%	0.13%
TOTAL	%	2.45%	2.46%	2.41%	2.39%	2.32%	2.19%
<i>Total (excl. 1.5 < 2.5% band)</i>	%	<i>1.69%</i>	<i>1.70%</i>	<i>1.66%</i>	<i>1.65%</i>	<i>1.60%</i>	<i>1.52%</i>

(ii) Number of cases in arrears as per cent total number of loans

1.5 < 2.5% in arrears	%	0.56%	0.57%	0.59%	0.60%	0.58%	0.55%
2.5 < 5% in arrears	%	0.61%	0.62%	0.64%	0.65%	0.63%	0.61%
5 < 7.5% in arrears	%	0.26%	0.26%	0.27%	0.27%	0.26%	0.25%
7.5 < 10% in arrears	%	0.13%	0.13%	0.14%	0.14%	0.14%	0.13%
Over 10% in arrears	%	0.33%	0.34%	0.36%	0.36%	0.36%	0.35%
In possession	%	0.10%	0.10%	0.09%	0.09%	0.08%	0.08%
TOTAL	%	1.98%	2.01%	2.08%	2.11%	2.06%	1.97%
<i>Total (excl. 1.5 < 2.5% band)</i>	%	<i>1.42%</i>	<i>1.44%</i>	<i>1.50%</i>	<i>1.51%</i>	<i>1.48%</i>	<i>1.42%</i>

Possession cases: movements & stocks

New possessions in Qtr	Units	8,695	8,521	7,792	8,092	7,795	7,349
Possessions cases sold in Qtr	Units	9,089	8,687	9,447	8,499	8,506	7,974
Stock of possessions at end Qtr	Units	14,953	14,889	13,321	12,877	12,034	11,326

Memorandum information at end of Qtr

Loan book: number of loan accounts	See Notes	Units	14,977,839	15,062,773	14,272,811	14,209,584	14,168,820	14,115,643
Loan book: balance outstanding		£m	1,223,477	1,227,319	1,228,665	1,227,942	1,229,715	1,233,790

MLAR STATISTICS TABLES

Notes on the basis of our numbers of loans, arrears and possession cases

Number of loan accounts:

Represents the number of individual loan accounts, and covers:

- *1st charge loans*
- *2nd and subsequent charge loans (where the borrower takes an extra loan from another lender)*
- *some further advance loans*. This applies in cases where a 1st charge lender grants a further advance on the original mortgage, but for administrative purposes treats it as a separate loan account.

This is also influenced by MLAR monitoring regulated loans and non-regulated loans separately. As a consequence of this, most 2nd charge loans go into a separate reporting category (non-regulated).

As a result, our "number of loan account" figures are on a different basis to, and materially higher than, those published by CML on numbers of mortgages.

Number of loan accounts in arrears:

This number does not represent the number of borrowers in arrears.

It represents the number of individual loan accounts in arrears, and covers arrears arising on:

- *1st charge loans*
- *2nd and subsequent charge loans (where the borrower takes an extra loan from another lender)*
- *some further advance loans*. This applies in cases where the 1st charge lender establishes a further advance on the original mortgage as a separate loan account, but is unable to combine the two accounts for MLAR arrears reporting purposes.

As a result, our arrears numbers are on a different basis to, and materially higher than, those published by the CML on number of *1st charge mortgages in arrears*. As such, the CML measure is more a measure of the number of borrowers in arrears. More importantly however, our reporting threshold for arrears is "loan accounts where arrears amount to 1.5% or more of loan balances", in contrast to CML's which is 2.5%, and so our "numbers" will always be materially higher as they cover a wider spectrum.

Number of possession cases

This number does not represent the number of borrowers that have been subject to possession

It represents the number of individual loan accounts in possession, and covers possessions arising on:

- *1st charge loans*
- *2nd and subsequent charge loans (where the borrower takes an extra loan from another lender)*

In practice however, where a borrower has 1st and 2nd charge loans with separate lenders, it will not always be the case that both lenders report their loan accounts as a possession. So our possession figures will be closer to, but necessarily still somewhat higher than, CML estimates.