



BANK OF ENGLAND



MLAR STATISTICS: December 2015 edition

Residential loans to individuals (Regulated and Non-regulated)

Table name	Sub table reference	Description
Summary 1	A	New business volumes
	B	New business characteristics
Summary 2	B	New business characteristics (continued)
	C	Loan book position at end of period
Summary 3	D	Arrears & Provisions: unsecured and securitised loans

**Table (1)**
Residential loans to individuals

Last updated: 08 December 2015

Not seasonally adjusted

Residential loans to individuals: Regulated + Non-regulated

Sub table reference			2014			2015		
			Q2	Q3	Q4	Q1	Q2	Q3
A	New business volumes							
	Gross advances	£ millions	51,491	55,880	51,343	45,567	52,488	62,065
	Net advances	£ millions	8,908	11,034	8,071	6,309	9,934	13,638
	New commitments	£ millions	53,451	53,616	46,281	47,219	59,324	64,222
B	New business characteristics: gross advances							
	Interest rates: basis and average rates							
	Per cent of business at fixed rates	Per cent	81.97	82.55	82.21	77.62	78.90	80.66
	Overall weighted average interest rates:							
	Fixed rate loans	Per cent	3.35	3.43	3.37	3.11	2.91	2.79
	Variable rate loans	Per cent	2.83	2.79	2.74	2.58	2.50	2.60
	All loans	Per cent	3.26	3.31	3.26	2.99	2.83	2.76
	Purpose of loan							
	(i) As per cent of gross advances (£ amounts)							
	House purchase	Per cent	70.10	71.78	70.97	66.16	67.71	70.12
	Of which: First time buyers	Per cent	22.07	21.74	21.78	19.45	20.68	20.39
	Buy to let	Per cent	13.63	14.31	14.90	16.76	15.84	15.61
	Other	Per cent	34.41	35.73	34.30	29.95	31.18	34.11
	Further advances	Per cent	2.45	2.21	2.39	2.61	2.54	2.35
	Remortgage	Per cent	24.10	23.05	23.70	27.19	26.17	24.14
	Other	Per cent	3.35	2.96	2.94	4.04	3.59	3.40
	(ii) As per cent of New Commitments (£ amounts)							
	House purchase	Per cent	69.75	68.74	65.34	62.62	65.89	65.17
	Remortgage	Per cent	25.45	26.62	29.85	31.47	29.80	29.93
	Other	Per cent	4.80	4.64	4.81	5.92	4.30	4.89

Notes to table**Explanatory notes**



Table (2) Residential loans to individuals

Last updated: 08 December 2015

Not seasonally adjusted

Residential loans to individuals: Regulated + Non-regulated

		2014			2015			
		Q2	Q3	Q4	Q1	Q2	Q3	
Sub table reference								
B	New business characteristics: gross advances - continued							
Loan to Value (LTV) and Income Multiple								
LTV: Per cent of gross advances (£ amounts)								
	Under 75%	Per cent	64.57	64.18	64.60	67.52	65.95	66.14
	75 < 90%	Per cent	30.88	31.54	31.60	29.03	30.50	31.04
	90 < 95%	Per cent	4.11	3.94	3.46	3.03	3.30	2.59
	Over 95%	Per cent	0.45	0.34	0.34	0.42	0.26	0.23
LTV and income multiple (a): Per cent of gross advances (£ amounts)								
	Over 90 < 95%	Per cent	3.00	2.83	2.34	2.01	2.19	1.90
	Over 95%	Per cent	0.30	0.23	0.21	0.21	0.19	0.11
	All over 90%	Per cent	3.31	3.06	2.55	2.22	2.37	2.01
Credit History: as per cent of gross advances (£ amount)								
	Loans with impaired credit history	Per cent	0.19	0.20	0.22	0.19	0.19	0.19
	Loans without impaired credit history	Per cent	99.81	99.80	99.78	99.81	99.81	99.81
C	Of which: First time buyers							
Loan balances outstanding at end of period								
	Unsecuritised	£ millions	1,149,465	1,161,560	1,168,502	1,176,792	1,187,489	1,197,754
	Securitised	£ millions	99,825	94,050	91,083	84,317	84,213	84,188
	Overall residential loans to individuals	£ millions	1,249,290	1,255,610	1,259,585	1,261,109	1,271,702	1,281,942

Notes to table

(a) Income multiple refers to single: 3.50 x or more and joint: 2.75 x or more.

Explanatory notes

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**Table (3)**
Residential loans to individuals

Last updated: 08 December 2015

Not seasonally adjusted

Residential loans to individuals: Regulated and Non-regulated

		2014			2015		
		Q2	Q3	Q4	Q1	Q2	Q3
Sub table reference							
D	Arrears & Provisions: Unsecuritised and Securitised loans						
Arrears cases at end of Qtr							
Number of loan accounts	Units	240,487	230,219	219,751 (a)	212,140	211,652	196,148
Balances outstanding	£ millions	23,233	21,732	20,485	19,721	19,106	18,126
Balances as per cent total loan balances	Per cent	1.86	1.73	1.63	1.56	1.50	1.41
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	Per cent	0.58	0.54	0.51	0.49	0.46	0.44
2.5 < 5% in arrears	Per cent	0.60	0.56	0.53	0.51	0.49	0.46
5 < 7.5% in arrears	Per cent	0.24	0.22	0.20	0.20	0.20	0.19
7.5 < 10% in arrears	Per cent	0.12	0.11	0.10	0.10	0.10	0.09
Over 10% in arrears	Per cent	0.21	0.20	0.19	0.19	0.20	0.18
Of which: First time buyers	Per cent	0.11	0.10	0.09	0.07	0.06	0.05
TOTAL	Per cent	1.86	1.73	1.63	1.56	1.50	1.41
Total (excl. 1.5 < 2.5% band)	Per cent	1.28	1.19	1.11	1.07	1.04	0.98
(ii) Number of cases in arrears as per cent total number of loans							
1.5 < 2.5% in arrears	Per cent	0.49	0.47	0.46	0.47	0.42	0.41
2.5 < 5% in arrears	Per cent	0.53	0.50	0.49	0.51	0.46	0.44
5 < 7.5% in arrears	Per cent	0.22	0.21	0.20	0.21	0.20	0.19
7.5 < 10% in arrears	Per cent	0.12	0.11	0.11	0.11	0.11	0.10
Over 10% in arrears	Per cent	0.32	0.32	0.32	0.34	0.34	0.30
In possession	Per cent	0.07	0.07	0.06	0.05	0.04	0.04
TOTAL	Per cent	1.76	1.69	1.62	1.69	1.57	1.48
Total (excl. 1.5 < 2.5% band)	Per cent	1.27	1.22	1.17	1.22	1.15	1.07

Table (3)
Residential loans to individuals

Last updated: 08 December 2015

Not seasonally adjusted

Residential loans to individuals: Regulated and Non-regulated

		2014			2015		
		Q2	Q3	Q4	Q1	Q2	Q3
Sub table reference							
D (cont.)							
Possession cases: movements & stocks							
New possessions in Qtr	Units	5,728	5,161	4,166	3,179	2,674	2,881
Possessions cases sold in Qtr	Units	6,183	5,816	5,599	4,755	3,726	2,999
Stock of possessions at end Qtr	Units	9,733	9,080	7,777	6,454	5,265	5,012
Memorandum information at end of Qtr							
Loan book: number of loan accounts	Units	13,679,818	13,639,090	13,532,878	12,564,942	13,473,097	13,213,650
Loan book: balance outstanding	£ millions	1,249,289	1,255,610	1,259,585	1,261,109	1,271,702	1,281,942

Notes to table

(a) Approximately 2,000 of the noted movement in arrears is due to a sale of regulated loans to a non-UK incorporated firm outside of the MLAR population.

Explanatory notes

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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 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.