



BANK OF ENGLAND



MLAR STATISTICS: December 2016 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 and provisions: Unsecuritised and securitised loans

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

Last updated: 13 December 2016

Not seasonally adjusted

Residential loans to individuals: Regulated and Non-regulated

		2015			2016			
		Q2	Q3	Q4	Q1	Q2	Q3	
Sub table reference								
A	New business volumes							
	Gross advances	£ millions	52,560	62,091	63,084	64,024	58,057	64,484
	Net advances	£ millions	9,954	13,671	14,208	13,642	11,715	13,136
	New commitments	£ millions	59,562	64,117	59,460	60,594	68,128	61,035
B	New business characteristics: gross advances							
	Interest rates: basis and weighted averages							
	Per cent of business at fixed rates	Per cent	78.92	80.66	84.09	81.43	82.27	82.28
	Overall weighted average interest rates:							
	Fixed rate loans	Per cent	2.91	2.79	2.72	2.66	2.60	2.53
	Variable rate loans	Per cent	2.50	2.47	2.51	2.52	2.35	2.21
	All loans	Per cent	2.83	2.73	2.69	2.63	2.56	2.47
	Purpose of loan							
	(i) As per cent of gross advances (£ amounts)							
	House purchase	Per cent	67.53	70.11	69.28	68.95	63.00	65.64
	Of which: First time buyers	Per cent	20.38	20.39	20.87	16.90	21.99	22.02
	Buy to let	Per cent	15.87	15.61	15.89	21.09	13.10	12.83
	Other	Per cent	31.28	34.11	32.53	30.96	27.91	30.79
	Further advances	Per cent	2.51	2.35	2.21	2.57	3.18	2.79
	Remortgage	Per cent	26.17	24.14	25.01	25.27	29.99	28.53
	Other	Per cent	3.80	3.39	3.49	3.20	3.83	3.04
	(ii) As per cent of new commitments (£ amounts)							
	House purchase	Per cent	66.83	65.42	63.89	61.77	62.69	60.65
	Remortgage	Per cent	28.81	29.75	31.37	32.65	31.77	34.26
	Other (inc further advances)	Per cent	4.37	4.83	4.74	5.59	5.54	5.08

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**Table (2)**
Residential loans to individuals

Last updated: 13 December 2016

Not seasonally adjusted

Residential loans to individuals: Regulated and Non-regulated

		2015			2016			
		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)							
	< = 75%	Per cent	65.94	65.54	66.41	68.34	65.10	64.23
	Over 75 < = 90%	Per cent	30.47	31.16	30.41	28.93	30.85	31.17
	Over 90 < = 95%	Per cent	3.31	3.09	3.01	2.52	3.88	4.38
	Over 95%	Per cent	0.29	0.22	0.17	0.20	0.18	0.22
	LTV and income multiple (a): Per cent of gross advances (£ amounts)							
	Over 90 < = 95%	Per cent	2.18	2.19	2.18	1.77	2.82	3.20
	Over 95%	Per cent	0.18	0.11	0.10	0.12	0.11	0.11
	All over 90%	Per cent	2.37	2.30	2.28	1.89	2.93	3.31
	Credit History: Per cent of gross advances (£ amount)							
	Loans with impaired credit history	Per cent	0.20	0.19	0.26	0.24	0.26	0.25
	Loans without impaired credit history	Per cent	99.80	99.81	99.74	99.76	99.74	99.75
C	Loan book position at end of period							
	Loan balances outstanding at end of period							
	Unsecuritised	£ millions	1,187,745	1,197,765	1,210,410	1,222,471	1,239,861	1,251,029
	Securitised	£ millions	84,213	84,188	81,011	82,117	76,378	79,774
	Overall residential loans to individuals	£ millions	1,271,957	1,281,953	1,291,421	1,304,588	1,316,240	1,330,803

Notes to table

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

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

Last updated: 13 December 2016

Not seasonally adjusted

Residential loans to individuals: Regulated and Non-regulated

Sub table reference		2015			2016			
		Q2	Q3	Q4	Q1	Q2	Q3	
D	Arrears and provisions: Unsecured and securitised loans							
	Arrears cases at end of quarter							
	Number of loan accounts	Units	209,699	196,136	191,152	206,428	217,790	229,061
	Balances outstanding	£ millions	19,102	18,125	17,529	17,687	17,750	17,786
	Balances as per cent total loan balances	Per cent	1.50	1.41	1.36	1.36	1.35	1.34
	Arrears cases at end of quarter analysed by degree of severity							
	(i) Balances in arrears as per cent of total loan balances							
	1.5 < 2.5% in arrears	Per cent	0.47	0.44	0.41	0.40	0.38	0.38
	2.5 < 5% in arrears	Per cent	0.49	0.46	0.44	0.43	0.41	0.40
	5 < 7.5% in arrears	Per cent	0.20	0.19	0.18	0.18	0.18	0.17
	7.5 < 10% in arrears	Per cent	0.10	0.09	0.09	0.09	0.09	0.09
	10 % or more in arrears	Per cent	0.19	0.18	0.18	0.21	0.24	0.25
	In possession	Per cent	0.06	0.05	0.05	0.05	0.04	0.04
	TOTAL	Per cent	1.50	1.41	1.36	1.36	1.35	1.34
	Total (exc 1.5 < 2.5% band)	Per cent	1.03	0.98	0.94	0.96	0.97	0.96
	(ii) Number of cases in arrears as per cent total number of loans							
	1.5 < 2.5% in arrears	Per cent	0.43	0.41	0.40	0.40	0.40	0.40
	2.5 < 5% in arrears	Per cent	0.47	0.44	0.43	0.45	0.45	0.45
	5 < 7.5% in arrears	Per cent	0.20	0.19	0.19	0.20	0.20	0.21
	7.5 < 10% in arrears	Per cent	0.11	0.10	0.10	0.11	0.11	0.12
	10 % or more in arrears	Per cent	0.33	0.30	0.30	0.37	0.44	0.50
	In possession	Per cent	0.04	0.04	0.03	0.03	0.03	0.03
	TOTAL	Per cent	1.58	1.48	1.45	1.56	1.64	1.71
	Total (exc 1.5 < 2.5% band)	Per cent	1.15	1.07	1.06	1.16	1.24	1.31
D (cont.)	Possession cases: movements and stocks							
	New possessions in quarter	Units	2,671	2,881	2,392	2,544	2,282	2,133
	Possession sales in quarter	Units	3,705	2,999	2,868	2,644	2,383	2,201
	Stock of possessions at end of quarter	Units	5,249	5,012	4,421	4,351	4,195	4,086
	Memorandum information at end of quarter							
	Loan book: number of loan accounts	Units	13,306,921	13,214,710	13,143,322	13,219,212	13,269,890	13,395,120
	Loan book: balances outstanding	£ millions	1,271,957	1,281,953	1,291,421	1,304,588	1,316,240	1,330,803

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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) up to Q4 2015.

From Q1 2016 2nd charge lending is included in the regulated section.

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.

From Q1 2016 2nd charge lending is included in the regulated section.

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.

From Q1 2016 2nd charge lending is included in the regulated section.