



**BANK OF ENGLAND**



## **MLAR STATISTICS: June 2016 edition**

Residential loans to individuals (Regulated and Non-regulated)

<b>Table name</b>	<b>Sub table reference</b>	<b>Description</b>
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: 14 June 2016

Not seasonally adjusted

**Residential loans to individuals: Regulated + Non-regulated**

		2014	2015				2016	
		Q4	Q1	Q2	Q3	Q4	Q1	
Sub table reference								
<b>A</b>	<b>New business volumes</b>							
	Gross advances	£ millions	51,372	45,592	52,560	62,091	63,084	64,024
	Net advances	£ millions	8,096	6,287	9,954	13,671	14,208	13,642
	New commitments	£ millions	46,237	47,209	59,562	64,117	59,460	60,601
<b>B</b>	<b>New business characteristics: gross advances</b>							
	Interest rates: basis and average rates							
	Per cent of business at fixed rates	Per cent	82.24	77.63	78.92	80.66	84.09	81.43
	Overall weighted average interest rates:							
	Fixed rate loans	Per cent	3.37	3.11	2.91	2.79	2.72	2.66
	Variable rate loans	Per cent	2.74	2.58	2.50	2.47	2.51	2.52
	<b>All loans</b>	<b>Per cent</b>	<b>3.26</b>	<b>2.99</b>	<b>2.83</b>	<b>2.73</b>	<b>2.69</b>	<b>2.63</b>
Purpose of loan								
	(i) As per cent of gross advances (£ amounts)							
	House purchase	Per cent	70.81	65.94	67.53	70.11	69.28	68.95
	Of which: First time buyers	Per cent	21.63	18.92	20.38	20.39	20.87	16.90
	Buy to let	Per cent	14.92	16.79	15.87	15.61	15.89	21.09
	Other	Per cent	34.25	30.23	31.28	34.11	32.53	30.96
	Further advances	Per cent	2.37	2.59	2.51	2.35	2.21	2.57
	Remortgage	Per cent	23.69	27.19	26.17	24.14	25.01	25.27
	Other	Per cent	3.14	4.28	3.80	3.39	3.49	3.20
	(ii) As per cent of New Commitments (£ amounts)							
	House purchase	Per cent	64.40	62.69	66.83	65.42	63.89	61.79
	Remortgage	Per cent	30.69	31.29	28.81	29.75	31.37	32.65
	Other	Per cent	4.91	6.03	4.37	4.83	4.74	5.56

**Notes to table****Explanatory notes**

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

Last updated: 14 June 2016

Not seasonally adjusted

**Residential loans to individuals: Regulated + Non-regulated**

		2014 Q4	2015 Q1	Q2	Q3	Q4	2016 Q1	
Sub table reference								
<b>B</b>	<b>New business characteristics: gross advances - continued</b>							
	Loan to Value (LTV) and Income Multiple							
	LTV: Per cent of gross advances (£ amounts)							
	Under 75%	Per cent	64.64	67.56	65.94	65.54	66.41	68.34
	75 < 90%	Per cent	31.56	29.00	30.47	31.16	30.41	28.93
	90 < 95%	Per cent	3.47	3.03	3.31	3.09	3.01	2.52
	Over 95%	Per cent	0.33	0.41	0.29	0.22	0.17	0.20
	LTV and income multiple (a): Per cent of gross advances (£ amounts)							
	Over 90 < 95%	Per cent	2.34	2.01	2.18	2.19	2.18	1.77
	Over 95%	Per cent	0.20	0.21	0.18	0.11	0.10	0.12
	All over 90%	Per cent	2.55	2.22	2.37	2.30	2.28	1.89
	Credit History: as per cent of gross advances (£ amount)							
	Loans with impaired credit history	Per cent	0.22	0.19	0.20	0.19	0.26	0.24
	Loans without impaired credit history	Per cent	99.78	99.81	99.80	99.81	99.74	99.76
<b>C</b>	<b>Loan book position at end of period</b>							
	Loan balances outstanding at end of period							
	Unsecuritised	£ millions	1,169,040	1,177,276	1,187,745	1,197,765	1,210,410	1,222,471
	Securitised	£ millions	91,083	84,317	84,213	84,188	81,011	82,039
	Overall residential loans to individuals	£ millions	1,260,123	1,261,593	1,271,957	1,281,953	1,291,421	1,304,511

**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: 14 June 2016

Not seasonally adjusted

**Residential loans to individuals: Regulated and Non-regulated**

		2014	2015				2016
		Q4	Q1	Q2	Q3	Q4	Q1
Sub table reference							
<b>D</b>	<b>Arrears &amp; Provisions: Unsecuritised and Securitised loans</b>						
Arrears cases at end of Qtr							
Number of loan accounts	Units	217,981 (a)	210,261	209,699	196,136	191,152	207,052
Balances outstanding	£ millions	20,501	19,739	19,102	18,125	17,529	17,767
Balances as per cent total loan balances	Per cent	1.63	1.56	1.50	1.41	1.36	1.36
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	0.52	0.49	0.47	0.44	0.41	0.40
2.5 < 5% in arrears	Per cent	0.53	0.52	0.49	0.46	0.44	0.43
5 < 7.5% in arrears	Per cent	0.20	0.20	0.20	0.19	0.18	0.18
7.5 < 10% in arrears	Per cent	0.10	0.10	0.10	0.09	0.09	0.09
Over 10% in arrears	Per cent	0.19	0.19	0.19	0.18	0.18	0.21
Of which: First time buyers	Per cent	0.09	0.07	0.06	0.05	0.05	0.05
<b>TOTAL</b>	<b>Per cent</b>	<b>1.63</b>	<b>1.56</b>	<b>1.50</b>	<b>1.41</b>	<b>1.36</b>	<b>1.36</b>
<b>Total (excl. 1.5 &lt; 2.5% band)</b>	<b>Per cent</b>	<b>1.11</b>	<b>1.07</b>	<b>1.03</b>	<b>0.98</b>	<b>0.94</b>	<b>0.96</b>
(ii) Number of cases in arrears as per cent total number of loans							
1.5 < 2.5% in arrears	Per cent	0.47	0.45	0.43	0.41	0.40	0.41
2.5 < 5% in arrears	Per cent	0.49	0.48	0.47	0.44	0.43	0.45
5 < 7.5% in arrears	Per cent	0.20	0.20	0.20	0.19	0.19	0.20
7.5 < 10% in arrears	Per cent	0.10	0.10	0.11	0.10	0.10	0.11
Over 10% in arrears	Per cent	0.31	0.31	0.33	0.30	0.30	0.37
In possession	Per cent	0.06	0.05	0.04	0.04	0.03	0.03
<b>TOTAL</b>	<b>Per cent</b>	<b>1.63</b>	<b>1.58</b>	<b>1.58</b>	<b>1.48</b>	<b>1.45</b>	<b>1.57</b>
<b>Total (excl. 1.5 &lt; 2.5% band)</b>	<b>Per cent</b>	<b>1.17</b>	<b>1.13</b>	<b>1.15</b>	<b>1.07</b>	<b>1.06</b>	<b>1.16</b>

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

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		2014	2015				2016
		Q4	Q1	Q2	Q3	Q4	Q1
Sub table reference							
<b>D (cont.)</b>							
Possession cases: movements & stocks							
New possessions in Qtr	Units	4,134	3,157	2,671	2,881	2,392	2,546
Possessions cases sold in Qtr	Units	5,533	4,738	3,705	2,999	2,870	2,644
Stock of possessions at end Qtr	Units	7,758	6,426	5,249	5,012	4,421	4,357
Memorandum information at end of Qtr							
Loan book: number of loan accounts	Units	13,362,601	13,299,684	13,306,921	13,214,710	13,143,322	13,219,209
Loan book: balance outstanding	£ millions	1,260,123	1,261,593	1,271,957	1,281,953	1,291,421	1,304,511

**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) 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.