



**BANK OF ENGLAND**



## **MLAR STATISTICS: September 2015 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: 8 September 2015

Not seasonally adjusted

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

		2014				2015	
		Q1	Q2	Q3	Q4	Q1	Q2
Sub table reference							
<b>A</b>	<b>New business volumes</b>						
	Gross advances	£ millions	47,074	51,493	55,882	51,346	45,569
	Net advances	£ millions	7,002	8,908	11,034	8,071	9,934
	New commitments	£ millions	48,883	53,449	53,614	46,279	59,322
<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	80.99	81.97	82.55	82.20	77.62
	Overall weighted average interest rates:						
	Fixed rate loans	Per cent	3.32	3.35	3.43	3.37	3.13
	Variable rate loans	Per cent	2.93	2.83	2.79	2.74	2.58
	<b>All loans</b>	<b>Per cent</b>	<b>3.24</b>	<b>3.26</b>	<b>3.31</b>	<b>3.26</b>	<b>3.01</b>
	Purpose of loan						
	(i) As per cent of gross advances (£ amounts)						
	House purchase	Per cent	66.41	70.10	71.77	70.97	66.16
	Of which: First time buyers	Per cent	20.06	22.06	21.74	21.78	19.45
	Buy to let	Per cent	14.42	13.63	14.31	14.90	16.76
	Other	Per cent	31.93	34.41	35.73	34.30	29.95
	Further advances	Per cent	2.88	2.45	2.21	2.39	2.61
	Remortgage	Per cent	27.36	24.10	23.05	23.70	27.19
	Other	Per cent	3.34	3.35	2.96	2.94	4.04
	(ii) As per cent of New Commitments (£ amounts)						
	House purchase	Per cent	65.13	69.75	68.75	65.34	62.62
	Remortgage	Per cent	29.55	25.45	26.62	29.85	31.47
	Other	Per cent	5.32	4.80	4.64	4.81	5.92

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

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

Last updated: 8 September 2015

Not seasonally adjusted

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

		2014				2015	
		Q1	Q2	Q3	Q4	Q1	Q2
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	64.78	64.57	64.18	64.67	67.59
	75 < 90%	Per cent	31.64	30.88	31.54	31.59	29.11
	90 < 95%	Per cent	3.05	4.11	3.94	3.40	2.88
	Over 95%	Per cent	0.53	0.45	0.34	0.34	0.42
	LTV and income multiple (a): Per cent of gross advances (£ amounts)						
	Over 90 < 95%	Per cent	2.24	3.00	2.83	2.29	1.89
	Over 95%	Per cent	0.33	0.30	0.23	0.21	0.19
	All over 90%	Per cent	2.57	3.31	3.06	2.50	2.27
	Credit History: as per cent of gross advances (£ amount)						
	Loans with impaired credit history	Per cent	0.20	0.19	0.20	0.22	0.19
	Loans without impaired credit history	Per cent	99.80	99.81	99.80	99.78	99.81
<b>C</b>	<b>Loan book position at end of period</b>						
	Loan balances outstanding at end of period						
	Unsecuritised	£ millions	1,141,657	1,149,465	1,161,560	1,168,502	1,176,792
	Securitised	£ millions	101,317	99,825	94,050	91,083	84,317
	Overall residential loans to individuals	£ millions	1,242,974	1,249,289	1,255,610	1,259,585	1,261,109

**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: 8 September 2015

Not seasonally adjusted

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

		2014				2015	
		Q1	Q2	Q3	Q4	Q1	Q2
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	255,554	240,487	230,219	219,751 (a)	212,140	211,652
Balances outstanding	£ millions	24,815	23,233	21,732	20,485	19,721	19,106
Balances as per cent total loan balances	Per cent	2.00	1.86	1.73	1.63	1.56	1.50
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	0.62	0.58	0.54	0.51	0.49	0.46
2.5 < 5% in arrears	Per cent	0.65	0.60	0.56	0.53	0.51	0.49
5 < 7.5% in arrears	Per cent	0.26	0.24	0.22	0.20	0.20	0.20
7.5 < 10% in arrears	Per cent	0.13	0.12	0.11	0.10	0.10	0.10
Over 10% in arrears	Per cent	0.22	0.21	0.20	0.19	0.19	0.20
Of which: First time buyers	Per cent	0.11	0.11	0.10	0.09	0.07	0.06
<b>TOTAL</b>	<b>Per cent</b>	<b>2.00</b>	<b>1.86</b>	<b>1.73</b>	<b>1.63</b>	<b>1.56</b>	<b>1.50</b>
<b>Total (excl. 1.5 &lt; 2.5% band)</b>	<b>Per cent</b>	<b>1.37</b>	<b>1.28</b>	<b>1.19</b>	<b>1.11</b>	<b>1.07</b>	<b>1.04</b>
(ii) Number of cases in arrears as per cent total number of loans							
1.5 < 2.5% in arrears	Per cent	0.52	0.49	0.47	0.46	0.44	0.42
2.5 < 5% in arrears	Per cent	0.56	0.53	0.50	0.49	0.48	0.46
5 < 7.5% in arrears	Per cent	0.23	0.22	0.21	0.20	0.20	0.20
7.5 < 10% in arrears	Per cent	0.12	0.12	0.11	0.11	0.10	0.11
Over 10% in arrears	Per cent	0.34	0.32	0.32	0.32	0.32	0.34
In possession	Per cent	0.07	0.07	0.07	0.06	0.05	0.04
<b>TOTAL</b>	<b>Per cent</b>	<b>1.85</b>	<b>1.76</b>	<b>1.69</b>	<b>1.62</b>	<b>1.58</b>	<b>1.57</b>
<b>Total (excl. 1.5 &lt; 2.5% band)</b>	<b>Per cent</b>	<b>1.33</b>	<b>1.27</b>	<b>1.22</b>	<b>1.17</b>	<b>1.14</b>	<b>1.15</b>

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

Last updated: 8 September 2015

Not seasonally adjusted

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

Sub table reference		2014 Q1	Q2	Q3	Q4	2015 Q1	Q2	
<b>D (cont.)</b>								
	Possession cases: movements & stocks							
	New possessions in Qtr	Units	6,687	5,728	5,161	4,166	3,179	2,674
	Possessions cases sold in Qtr	Units	6,650	6,183	5,816	5,599	4,755	3,726
	Stock of possessions at end Qtr	Units	10,177	9,733	9,080	7,777	6,454	5,265
	Memorandum information at end of Qtr							
	Loan book: number of loan accounts	Units	13,795,497	13,679,818	13,639,090	13,532,878	13,468,313	13,473,097
	Loan book: balance outstanding	£ millions	1,242,974	1,249,289	1,255,610	1,259,585	1,261,109	1,271,702

**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.