



BANK OF ENGLAND



## MLAR STATISTICS: September 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 & Provisions: unsecuritised and securitised loans

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

Last updated: 13 September 2016

Not seasonally adjusted

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

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

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

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

Last updated: 13 September 2016

Not seasonally adjusted

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

 Sub table reference  
**B** **New business characteristics: gross advances - continued**

Loan to Value (LTV) and Income Multiple

LTV: Per cent of gross advances (£ amounts)

		2015	Q1	Q2	Q3	Q4	2016	Q1	Q2
Under 75%	Per cent	67.56	65.94	65.54	66.41	68.34	65.10		
75 < 90%	Per cent	29.00	30.47	31.16	30.41	28.93	30.85		
90 < 95%	Per cent	3.03	3.31	3.09	3.01	2.52	3.88		
Over 95%	Per cent	0.41	0.29	0.22	0.17	0.20	0.18		

LTV and income multiple (a): Per cent of gross advances (£ amounts)

Over 90 < 95%	Per cent	2.01	2.18	2.19	2.18	1.77	2.82
Over 95%	Per cent	0.21	0.18	0.11	0.10	0.12	0.11
All over 90%	Per cent	2.22	2.37	2.30	2.28	1.89	2.94

Credit History: as per cent of gross advances (£ amount)

Loans with impaired credit history	Per cent	0.19	0.20	0.19	0.26	0.24	0.26
Loans without impaired credit history	Per cent	99.81	99.80	99.81	99.74	99.76	99.74

**C** **Loan book position at end of period**

Loan balances outstanding at end of period

Unsecuritised	£ millions	1,177,276	1,187,745	1,197,765	1,210,410	1,222,471	1,240,971
Securitised	£ millions	84,317	84,213	84,188	81,011	82,117	76,378
Overall residential loans to individuals	£ millions	1,261,593	1,271,957	1,281,953	1,291,421	1,304,588	1,317,349

**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: 13 September 2016

Not seasonally adjusted

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

		2015	Q1	Q2	Q3	Q4	2016	Q1	Q2
Sub table reference									
<b>D Arrears &amp; Provisions: Unsecuritised and Securitised loans</b>									
Arrears cases at end of Qtr									
Number of loan accounts	Units	210,261	209,699	196,136	191,152	207,059	218,279		
Balances outstanding	£ millions	19,739	19,102	18,125	17,529	17,767	17,815		
Balances as per cent total loan balances	Per cent	1.56	1.50	1.41	1.36	1.36	1.35		
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	0.49	0.47	0.44	0.41	0.40	0.39		
2.5 < 5% in arrears	Per cent	0.52	0.49	0.46	0.44	0.43	0.42		
5 < 7.5% in arrears	Per cent	0.20	0.20	0.19	0.18	0.18	0.18		
7.5 < 10% in arrears	Per cent	0.10	0.10	0.09	0.09	0.09	0.09		
Over 10% in arrears	Per cent	0.19	0.19	0.18	0.18	0.21	0.24		
Of which: First time buyers	Per cent	0.07	0.06	0.05	0.05	0.05	0.04		
<b>TOTAL</b>	<b>Per cent</b>	<b>1.56</b>	<b>1.50</b>	<b>1.41</b>	<b>1.36</b>	<b>1.36</b>	<b>1.35</b>		
<b>Total (excl. 1.5 &lt; 2.5% band)</b>	<b>Per cent</b>	<b>1.07</b>	<b>1.03</b>	<b>0.98</b>	<b>0.94</b>	<b>0.96</b>	<b>0.97</b>		
(ii) Number of cases in arrears as per cent total number of loans									
1.5 < 2.5% in arrears	Per cent	0.45	0.43	0.41	0.40	0.41	0.41		
2.5 < 5% in arrears	Per cent	0.48	0.47	0.44	0.43	0.45	0.45		
5 < 7.5% in arrears	Per cent	0.20	0.20	0.19	0.19	0.20	0.20		
7.5 < 10% in arrears	Per cent	0.10	0.11	0.10	0.10	0.11	0.11		
Over 10% in arrears	Per cent	0.31	0.33	0.30	0.30	0.37	0.44		
In possession	Per cent	0.05	0.04	0.04	0.03	0.03	0.03		
<b>TOTAL</b>	<b>Per cent</b>	<b>1.58</b>	<b>1.58</b>	<b>1.48</b>	<b>1.45</b>	<b>1.57</b>	<b>1.64</b>		
<b>Total (excl. 1.5 &lt; 2.5% band)</b>	<b>Per cent</b>	<b>1.13</b>	<b>1.15</b>	<b>1.07</b>	<b>1.06</b>	<b>1.16</b>	<b>1.24</b>		

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

Last updated: 13 September 2016

Not seasonally adjusted

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

		2015				2016		
		Q1	Q2	Q3	Q4	Q1	Q2	
Sub table reference								
<b>D (cont.)</b>								
Possession cases: movements & stocks								
New possessions in Qtr	Units	3,157	2,671	2,881	2,392	2,546	2,291	
Possessions cases sold in Qtr	Units	4,738	3,705	2,999	2,868	2,644	2,383	
Stock of possessions at end Qtr	Units	6,426	5,249	5,012	4,421	4,357	4,207	
Memorandum information at end of Qtr								
Loan book: number of loan accounts	Units	13,299,684	13,306,921	13,214,710	13,143,322	13,219,212	13,272,013	
Loan book: balance outstanding	£ millions	1,261,593	1,271,957	1,281,953	1,291,421	1,304,588	1,317,349	

**Notes to table****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.