

MLAR STATISTICS: June 2013 edition

Part I Summary Tables

Residential loans to individuals (Regulated + Non-regulated)

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MLAR: Summary (1) - Residential loans to individuals

		2011-Q4	2012-Q1	2012-Q2	2012-Q3	2012-Q4	2013-Q1
Residential loans to individuals: Regulated + Non Regulated							
A	New business volumes						
	Gross advances	£m	40,107	36,443	36,927	39,595	39,397
	Net advances	£m	4,104	2,662	4,661	5,570	4,440
	New commitments	£m	37,045	37,051	39,811	35,934	36,891
B	New Business characteristics: Gross advances (GA)						
	<u>Interest rates: basis and average rates</u>						
	Per cent of business at fixed rates	%	53.53%	55.08%	56.39%	55.98%	63.55%
	Overall weighted average interest rates:						
	Fixed rate loans	%	3.94%	3.99%	4.22%	4.33%	4.10%
	Variable rate loans	%	2.96%	2.90%	3.20%	3.32%	3.30%
	All loans	%	3.48%	3.50%	3.78%	3.89%	3.81%
	<u>Purpose of loan</u>						
	(i) As per cent of GA (£ amounts)						
	House purchase	%	61.24%	59.34%	62.40%	66.24%	66.04%
	Of which: First time buyers						
	Buy to let	%	16.58%	17.96%	16.46%	18.22%	19.10%
	Other	%	9.42%	9.93%	10.60%	10.41%	12.03%
	Further advances	%	35.24%	31.45%	35.35%	37.61%	35.91%
	Remortgage	%	32.22%	33.53%	30.87%	27.19%	27.86%
	Other	%	2.98%	3.46%	3.30%	3.42%	3.27%
	(ii) As per cent of New Commitments (£ amounts)						
	House purchase	%	57.79%	58.17%	64.57%	65.49%	63.52%
	Remortgage	%	34.49%	33.99%	28.86%	29.17%	30.80%
	Other	%	7.72%	7.84%	6.58%	5.35%	5.68%

MLAR: Summary (2) - Residential loans to individuals

		2011-Q4	2012-Q1	2012-Q2	2012-Q3	2012-Q4	2013-Q1
Residential loans to individuals: Regulated + Non Regulated							
B	New Business characteristics: Gross advances (GA) - continued						
<u>Loan to Value (LTV) and Income Multiple</u>							
LTV: Per cent of GA (£ amounts)							
<75%	%	67.62%	68.26%	67.28%	68.10%	66.26%	67.02%
75 < 90%	%	30.54%	29.43%	30.32%	29.58%	31.65%	30.90%
90 < 95%	%	1.45%	1.95%	1.76%	1.87%	1.71%	1.62%
Over 95%	%	0.39%	0.37%	0.64%	0.44%	0.37%	0.46%
High Income Multiple by LTV: Per cent of GA (£ amounts)							
Over 90 < 95%	%	0.81%	1.14%	1.02%	1.11%	1.03%	1.02%
Over 95%	%	0.24%	0.17%	0.30%	0.27%	0.20%	0.25%
All over 90%	%	1.05%	1.31%	1.32%	1.38%	1.22%	1.27%
<i>NB: High income multiples are:</i>							
<i>Single income: 3.50 x or more</i>							
<i>Joint income: 2.75 x or more</i>							
<u>Credit History: as per cent of GA (£ amount)</u>							
Loans with impaired credit history	%	0.36%	0.29%	0.27%	0.25%	0.29%	0.24%
Loans without impaired credit history	%	99.64%	99.71%	99.73%	99.75%	99.71%	99.76%
C	Loan book position at end of period						
<u>Loan balances outstanding at end of period</u>							
Unsecuritised	£m	1,096,832	1,095,554	1,099,894	1,102,516	1,106,216	1,109,619
Securitised	£m	121,631	125,927	123,584	124,803	122,138	117,952
Overall residential loans to individuals	£m	1,218,463	1,221,481	1,223,477	1,227,319	1,228,354	1,227,571

MLAR: Summary (3) - Residential loans to individuals

			2011-Q4	2012-Q1	2012-Q2	2012-Q3	2012-Q4	2013-Q1
Residential loans to individuals: Regulated + Non Regulated								
D Arrears & Provisions: Unsecuritised & Securitised loans								
<u>Arrears cases at end of Qtr</u>								
Number of loan accounts	<u>See Notes</u>	Units	313,224	302,976	296,484	303,163	297,573	296,363
Balances outstanding		£m	31,855	30,736	29,927	30,140	29,558	29,324
Balances as per cent total loan balances		%	2.61%	2.52%	2.45%	2.46%	2.41%	2.39%
<u>Arrears cases at end of Qtr analysed by degree of severity</u>								
(i) Balances in arrears as per cent of total loan balances								
1.5 < 2.5% in arrears		%	0.77%	0.76%	0.76%	0.76%	0.74%	0.74%
2.5 < 5% in arrears		%	0.86%	0.82%	0.80%	0.80%	0.79%	0.79%
5 < 7.5% in arrears		%	0.36%	0.33%	0.32%	0.32%	0.32%	0.31%
7.5 < 10% in arrears		%	0.17%	0.16%	0.15%	0.15%	0.15%	0.14%
Over 10% in arrears		%	0.26%	0.25%	0.24%	0.24%	0.24%	0.24%
In possession		%	0.18%	0.19%	0.18%	0.18%	0.16%	0.15%
TOTAL		%	2.61%	2.52%	2.45%	2.46%	2.41%	2.39%
<i>Total (excl. 1.5 < 2.5% band)</i>		%	<i>1.84%</i>	<i>1.75%</i>	<i>1.69%</i>	<i>1.70%</i>	<i>1.66%</i>	<i>1.65%</i>
(ii) Number of cases in arrears as per cent total number of loans								
1.5 < 2.5% in arrears		%	0.57%	0.56%	0.56%	0.57%	0.59%	0.59%
2.5 < 5% in arrears		%	0.64%	0.62%	0.61%	0.62%	0.64%	0.64%
5 < 7.5% in arrears		%	0.28%	0.26%	0.26%	0.26%	0.27%	0.27%
7.5 < 10% in arrears		%	0.14%	0.13%	0.13%	0.13%	0.14%	0.13%
Over 10% in arrears		%	0.35%	0.33%	0.33%	0.34%	0.36%	0.36%
In possession		%	0.10%	0.10%	0.10%	0.10%	0.09%	0.09%
TOTAL		%	2.09%	2.02%	1.98%	2.01%	2.09%	2.09%
<i>Total (excl. 1.5 < 2.5% band)</i>		%	<i>1.52%</i>	<i>1.46%</i>	<i>1.42%</i>	<i>1.44%</i>	<i>1.50%</i>	<i>1.49%</i>
<u>Possession cases: movements & stocks</u>								
New possessions in Qtr		Units	8,924	9,531	8,695	8,521	7,792	8,092
Possessions cases sold in Qtr		Units	9,456	9,549	9,089	8,687	9,447	8,499
Stock of possessions at end Qtr		Units	15,457	15,385	14,953	14,889	13,321	12,883
<u>Memorandum information at end of Qtr</u>								
Loan book: number of loan accounts	<u>See Notes</u>	Units	15,013,454	14,986,525	14,977,839	15,062,773	14,264,130	14,199,649
Loan book: balance outstanding		£m	1,218,463	1,221,481	1,223,477	1,227,319	1,228,354	1,227,571

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 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.

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.