

Form FL Guidelines – Funding for Lending Scheme

General information

This document contains guidelines for participants in the Funding for Lending Scheme (FLS) to populate Form FL which is available at www.bankofengland.co.uk/markets/Pages/FLS/documentation.aspx.

The FLS measure of lending will be based on the quantity of sterling loans made by a Participant's FLS Group to UK resident households and private non-financial corporations (PNFCs). A Participant's FLS Group is defined for these purposes as all monetary financial institutions (MFIs) and specialist mortgage lenders within a group that are required to report the relevant lending data to the Bank of England. In all cases lending will be in the form of drawn loans. Entities' holdings of securities, commercial paper, bills and acceptances are not included.

The stock position as at 30 June 2012 will include principal outstanding but exclude outstanding interest, and include non-performing loans that are not yet written off. The net lending measure applying from 30 June 2012 will be gross lending less repayments and will exclude other effects on balances outstanding such as loan transfers, write-offs and reclassifications.

Instruments used in the measure for sterling loans to PNFCs and households for Form FL are provided below in the section on Definitions. References to specific box items in the Bank of England's statistical forms BE, BT, MM and MQ are provided for greater detail on the definitions. More information on each of the instruments can be found in the Forms, Definitions and Validations section of the Bank's website,¹ with particular reference to item 29 for Forms BT and BE (MFIs), item 9 for Form MM (specialist mortgage lenders) and 18 for Form MQ (specialist mortgage lenders).²

Definitions

Form BE definitions should be read in conjunction with both the definitions to Form BT and specifically the similarly numbered items therein, and also the General Notes and Definitions.³

¹ Available at www.bankofengland.co.uk/statistics/Pages/reporters/defs/default.aspx.

² Form BT definitions available at:

www.bankofengland.co.uk/statistics/Documents/reporters/defs/def_bt.pdf.

Form BE definitions available at:

www.bankofengland.co.uk/statistics/Documents/reporters/defs/def_be.pdf.

Form MM definitions available at:

www.bankofengland.co.uk/statistics/Documents/reporters/defs/def_mm2013.pdf.

Form MQ definitions available at:

www.bankofengland.co.uk/statistics/Documents/reporters/defs/def_mq2013.pdf.

³ General Notes and Definitions available at:

www.bankofengland.co.uk/statistics/Documents/reporters/defs/def_gene.pdf.

For sterling loans to PNFs, the instruments used in the measure include:

- Overdrafts (Form BE item BE£29DA2);
- Loans and advances (which includes credit card credit) (Form BE item BE£29DB2);
- Claims under sale and repurchase agreements (Form BE item BE£30H2).

For sterling loans to households, the instruments used in the measure include:

- Overdrafts (Form BE items BE£29DA3A (Individuals and individual trusts), BE£29DA3B (Unincorporated businesses (UBs) other than unlimited liability partnerships) and BE£29DA4 (Non-profit institutions serving households));
- Bridging finance (secured and unsecured) for individuals and individual trusts (Form BE item BE£29DB3A1);
- Loans and advances secured on dwellings, for individuals and individual trusts (Form BE item BE£29DB3A2);
- Individuals and individual trusts credit card credit (Form BE item BE£29DB3A3);
- Other loans and advances to individuals and individual trusts (Form BE item BE£29DB3A4);
- Loans and advances to UBs other than unlimited liability partnerships (Form BE item BE£29DB3B);
- Loans and advances to non-profit institutions serving households (Form BE item BE£29DB4);
- Claims under sale and repurchase agreements (Form BE items BE£30H3 (Individuals and individual trusts) and BE£30H4 (Non-profit institutions serving households));
- Specialist mortgage lenders' first and subsequent charge lending to individuals and individual trusts (Form MM items MM£9F and MM£9O).

Guidance on Form FL Boxes⁴

Please complete all boxes, entering a zero where the box does not apply.

Section 1 – Total loans to non-financial corporations other than public corporations

This section refers to lending specifically to UK resident PNFCs. These are typically companies that produce goods or provide non-financial services. They include public limited companies, private companies and partnerships where these are distinct from their owners. They exclude public corporations - that is, corporations owned by central or local government.

For full details of which entities to include please see section III.7 of the UK National Accounts Economic Sector Reporting Categories (ESA 95).⁵

This section should be completed by reporting MFIs only; specialist mortgage lenders (that are part of the FLS Group) are not required to complete this section.

1 Amount outstanding at previous reporting date

The amount of outstanding sterling loans to PNFCs at the end of the previous reporting period. This will be equal to the amount outstanding at the current reporting date, box FL£4, from the last form submitted.

For more detail on the definition of items that should be included see boxes on Form BE included here: BE£29DA2, BE£29DB2, BE£30H2.

For quarterly BT reporters the equivalent item is: BT£29D excluding loans to households and other financial corporations (OFCs).

2 Net lending in the reporting period

This is the net amount of sterling lending to PNFCs within the reporting period, equivalent to gross lending to PNFCs (FL£5) minus repayments (FL£6).

3 Adjustments to the amount outstanding: reductions (-) and increases (+)

All adjustments to the amount of outstanding sterling loans. This includes loan sales or purchases and any other adjustments, for example reclassifications and write-offs. This is equivalent to boxes FL£7 + FL£8.

4 Amount outstanding at current reporting date

The amount of outstanding sterling loans to PNFCs at the end of the current reporting period. This is equal to boxes FL£1 + FL£2 + FL£3 above.

For more detail on the definition of items that should be included see boxes on Form BE included here: BE£29DA2, BE£29DB2, BE£30H2.

⁴ Where box items refer to Forms BE, BT and MM see footnote 2. For Forms IC, IO, IS and WO see:
www.bankofengland.co.uk/statistics/Documents/reporters/defs/defs_IC2013.pdf
www.bankofengland.co.uk/statistics/Documents/reporters/defs/defs_IO2013.pdf
www.bankofengland.co.uk/statistics/Documents/reporters/defs/defs_IS2013.pdf
www.bankofengland.co.uk/statistics/Documents/reporters/defs/def_wo.pdf

⁵ Available at www.bankofengland.co.uk/statistics/Documents/reporters/defs/class04.pdf.

For quarterly BT reporters the equivalent item is: BT£29D, excluding loans to households and OFCs.

Supplementary items

The following supplementary items are also required on Form FL in order to ensure a satisfactory reconciliation of the reported FLS data provided in rows 1 to 4.

5 Gross lending in reporting period

The flow of gross new sterling loans to PNFCs in the reporting period. This should also include any ~~interest capitalised~~ amounts added to customer balances (e.g. interest capitalised, fees) during the reporting period. [Updated March 2013]

6 Repayments in the reporting period

The flow of repayments of principal, in full or in part, by PNFCs on sterling loans in the reporting period. Interest payments (other than capitalised interest) and write-offs should not be included.

7 Net loan sales (-), purchases (+) and other transfers during the reporting period

Report the net effect of sterling loan sales or purchases that affect the value of item FL£4.

8 Other adjustments to the amount outstanding: reductions (-) and increases (+)

All other adjustments to the amount of outstanding sterling loans including, for example, reclassifications and write-offs. Reductions should be reported as negative figures, and increases as positive figures. Write-offs and write-ons should also be included here.

Items included here: WO£1H.

8A Write-offs

These are changes in the nominal value of loans resulting from a reassessment of the creditworthiness of a debtor by the reporting institution. Complete write-offs should be included, as should partial write-offs. Write-offs should be reported as a negative figure and write-ons⁶ as a positive figure (as opposed to Form WO).

It is important to include not only any changes of the value of assets held throughout the period but also those of assets acquired or disposed of during the period, if a partial or total write-off of the asset has occurred. This includes assets which have been acquired, re-valued and disposed of within a single period: such changes still need to be reported here.

Items included here: WO£1H.

⁶ For a definition of write-ons please refer to:

www.bankofengland.co.uk/statistics/Documents/reporters/defs/def_wo.pdf

Section 2 – Total loans to individuals and individual trusts, unincorporated businesses and non-profit institutions serving households

This section refers to loans specifically to UK resident households; this includes individuals and individual trusts, UBs and non-profit institutions serving households. These are defined as:

- Individuals, i.e. all the residents of the United Kingdom as receivers of income and purchasers of consumer products.
- UBs other than unlimited liability partnerships (sole traders).
- Non-profit institutions serving households, e.g. charities and universities.

For full details of which entities to include please see section III.8 and III.9 of the UK National Accounts Economic Sector Reporting Categories (ESA 95).⁷

This section should be completed by reporting MFIs and specialist mortgage lenders (that are part of the FLS Group).

9 Amount outstanding at previous reporting date

The amount of outstanding sterling loans to households at the end of the previous reporting period. This will be equal to the amount outstanding at the current reporting date, box FL£12, from the last form submitted.

For more detail on the definition of items that should be included here see boxes on Form BE included here: BE£29DA3A, BE£29DA3B, BE£29DA4, BE£29DB3A1, BE£29DB3A2, BE£29DB3A3, BE£29DB3A4, BE£29DB3B, BE£29DB4, BE£30H3, BE£30H4.

For quarterly BT reporters the equivalent item is: BT£29D excluding loans to PNFs and OFCs.

For specialist mortgage lenders (in the FLS Group) the equivalent items for monthly reporters are: MM£9F and MM£9O and for quarterly reporters are: MQ£18A, ~~MQ£18B~~ MQ£18BA. [Updated March 2013]

10 Net lending in the reporting period

This is the net amount of sterling lending to households within the reporting period, equivalent to gross lending to households (FL£13) minus repayments (FL£14).

11 Adjustments to the amount outstanding: reductions (-) and increases (+)

All adjustments to the amount of outstanding sterling loans. This includes loan sales or purchases and any other adjustments, for example reclassifications and write-offs. This is equivalent to boxes FL£15 + FL£16.

12 Amount outstanding at current reporting date

⁷ Available at www.bankofengland.co.uk/statistics/Documents/reporters/defs/class04.pdf.

The amount of outstanding sterling loans to households at the end of the current reporting period. This is equal to boxes FL£9 + FL£10 + FL£11 above.

For more detail on the definition of items that should be included here see boxes on Form BE included here: BE£29DA3A, BE£29DA3B, BE£29DA4, BE£29DB3A1, BE£29DB3A2, BE£29DB3A3, BE£29DB3A4, BE£29DB3B, BE£29DB4, BE£30H3, BE£30H4.

And for quarterly BT reporters the equivalent item is: BT£29D excluding loans to PNFCs and OFCs.

For specialist mortgage lenders (in the FLS Group) the equivalent items for monthly reporters are: MM£9F and MM£9O and for quarterly reporters are: MQ£18A, ~~MQ£18B~~ MQ£18BA. [Updated March 2013]

Supplementary items

The following supplementary items are also required on Form FL in order to ensure a satisfactory reconciliation of the reported FLS data provided in rows 9 to 12.

13 Gross lending in reporting period

The flow of gross new sterling loans to households in the reporting period. This should also include any ~~interest capitalised~~ amounts added to customer balances (e.g. interest capitalised, fees) during the reporting period. [Updated March 2013]

Items that should be included here: IC£XFKD2, IO£XFKF1, IS£XFKBB.

For specialist mortgage lenders (in the FLS Group) the equivalent items are: MM£2F and MM£2O.

Note: there are additional data that should be included for loans to UBs and non-profit institutions serving households.

14 Repayments in the reporting period

The flow of repayments of principal, in full or in part, by households on sterling loans in the reporting period. Interest payments (other than capitalised interest) and write-offs should not be included.

Items included here: IC£XFKD5, IS£XFKBD, IS£XFKBE, IS£XFKBF, IS£XFKBG, IO£XFKF5. [Added March 2013]

For specialist mortgage lenders (in the FLS Group) the equivalent items are: MM£3F, MM£3O, MM£4F, MM£4O, MM£5F, MM£5O, MM£6F, MM£6O.

Note: there are additional data that should be included for loans to UBs and non-profit institutions serving households.

15 Net loan sales (-), purchases (+) and other transfers during the reporting period

Report the net effect of sterling loan sales or purchases that affect the value of item FL£12.

Items included here: IC£XFKD4, IO£XFKF2, IS£XFKBC.

For specialist mortgage lenders (in the FLS Group) the equivalent items are: ~~MM£7F, MM£7O, MM£8F, MM£8O~~ MM£7AF, MM£7AO. [Updated March 2013]

Note: there are additional data that should be included for loans to UBs and non-profit institutions serving households.

16 Other adjustments to the amount outstanding: reductions (-) and increases (+)

All other adjustments to the amount of outstanding sterling loans including, for example, reclassifications and write-offs. Reductions should be reported as negative figures, and increases as positive figures. Write-offs and write-ons should also be included here.

Items included here: ~~IC£XFKD3~~ IC£XFKDA6, IO£XFKF7, IS£XFKBH, WO£1JA, WO£1JB, WO£1K, WO£1L. [Updated March 2013]

For specialist mortgage lenders (in the FLS Group) the equivalent items are: MM£8AF, MM£8AO. [Added March 2013]

Note: there are additional data that should also be included for loans to UBs and non-profit institutions serving households.

16A Write-offs

These are changes in the nominal value of loans resulting from a reassessment of the creditworthiness of a debtor by the reporting institution. Complete write-offs should be included, as should partial write-offs. Write-offs should be reported as a negative figure and write-ons⁶ as a positive figure (as opposed to Form WO).

It is important to include not only any changes of the value of assets held throughout the period but also those of assets acquired or disposed of during the period, if a partial or total write-off of the asset has occurred. This includes assets which have been acquired, re-valued and disposed of within a single period: such changes still need to be reported here.

Items included here: WO£1JA, WO£1JB, WO£1K, WO£1L.

For specialist mortgage lenders (in the FLS Group) the equivalent items are: MM£8A1F, MM£8A1O. [Added March 2013]

For any further guidance on completion of Form FL please contact the Monetary Statistics Team of the Statistics and Regulatory Data Division by emailing: FLSreporting@bankofengland.co.uk.

APPENDIX – within Form FL rules

The following rules will be applied to box items in Form FL submissions, before being processed and verified.

- 1 FL£1 current reporting period = FL£4 previous reporting period
- 2 FL£9 current reporting period = FL£12 previous reporting period
- 3 FL£2 = FL£5 - FL£6

- 4 $FL£3 = FL£7 + FL£8$
- 5 $FL£4 = FL£1 + FL£2 + FL£3$
- 6 $FL£10 = FL£13 - FL£14$
- 7 $FL£11 = FL£15 + FL£16$
- 8 $FL£12 = FL£9 + FL£10 + FL£11$