



BANK OF ENGLAND

News release

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PRA / FCA Mortgage Lenders and Administrators Statistics published

The Bank of England and Financial Conduct Authority (FCA) today published the latest Mortgage Lenders and Administrators Statistics for the United Kingdom covering the period Q3 2013. As previously announced, this dataset previously published by the Financial Services Authority is now jointly owned by the Bank and FCA.

Key statistics for Q3 2013 are as follows:

- A number of metrics are at record levels. Gross advances, including lending to first-time buyers and buy-to-let lending and new commitments are at their highest levels since 2008. Similarly, interest rates on new lending, the number of new arrears cases and stocks of possessions cases remaining unsold are at their lowest level since the series began in 2007.
- The overall value of the residential loan amounts outstanding was £1,234 billion in Q3 2013, an increase of 0.3% compared with Q2.
- Gross advances of £49.5 billion in Q3 2013 were 19% higher than in Q2 2013 – an upward movement usual in the third quarter of the year, but also 25% higher compared with the same quarter in 2012. This was the highest amount advanced in a quarter since Q3 2008.
- Net advances in Q3 2013 amounted to £7.2 billion, which was 29% higher compared with Q3 2012.
- There was a 40% increase in the value of new commitments to £50.5 billion when compared with Q3 2012 – the largest quarterly amount of new commitments since Q2 2008.
- The value of loans advanced to first time buyers increased by £2.7 billion over the past year to £9.9 billion, an increase of 37% and was the highest quarterly amount since Q4 2007.
- There was a large increase in the value of new lending for buy to let (BTL) over the past year – up from £4.1 billion advanced in Q3 2012 to £5.9 billion in Q3 2013, an increase of 42%. This was the highest quarterly amount since Q2 2008.
- The proportion of gross advances at a high LTV (i.e. over 90%) decreased from 2.5% in Q2 2013 to 2.2% in Q3 2013.
- The proportion of gross advances to high joint income multiple borrowers (i.e. more than 3.00x) also increased in Q3 2013 by 2.4 percentage points to 27.2%, the highest since the series began in 2007.

- The number of new arrears cases in Q3 2013 was 7.9% lower than in Q2 2013 at 29,900, the lowest quarterly number of new cases since the series began in 2007.
- The total number of loan accounts with reportable arrears decreased - from 292,200 in Q2 2013 to 278,400 in Q3 2013, a reduction of 4.7% and the lowest since Q3 2007.
- The performance of loans in arrears – payments received as a percentage of payments due – improved for the fifth quarter in succession to 61.3% in Q3 2013.
- Arrears totalling £29 million on 8,012 accounts were capitalised in Q3 2013, an increase of 4.8% by number compared with Q3 2012.
- New cases taken into possession totalled 7,349 in Q3 2013, a 14% reduction from Q3 2012.
- As possession sales outstripped new possessions, the stock of possession cases remaining unsold reduced for the ninth quarter in succession, down to 11,326 in Q3 2013 and the lowest level since the series began in 2007.

Notes to Editors

1. These data are compiled from supervisory data collected through the Mortgage Lenders & Administrators Return (MLAR) provided by regulated firms. It covers information on residential mortgage lending and some non-regulated business, i.e. buy-to-let and second charge mortgages. This information is published quarterly.
2. The definition within these data of a reportable arrears case covers loans where the amount of actual arrears is 1.5% or more of the borrower's current loan balance. For example if the loan balance is £100,000 and arrears on the loan amount to £1,500 or more, then it is a reportable arrears case for MLAR purposes.
3. The definition within these data of a possession refers to an arrears case where the lender, having formally been granted a Possession Order by a Court, is then able to sell the underlying property (against which the loan is secured) and use the proceeds to reduce or pay-off the mortgage debt. Our figures relate to individual loan accounts in possession.
4. In terms of 'loan accounts in possession', 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 first charge loans, second and subsequent charge loans (where the borrower takes an extra loan from another lender).
5. Further detailed definitions are available in the Technical Notes at the end of the published Statistical release and the additional Explanatory Notes published by the Bank.

If you have any questions, please contact the Bank of England Press Office on 020 7601 4411 or the FCA Press Office on 020 7066 1000.

N.B. No breakdown is available for these statistics on a regional or local authority basis.