



BANK OF ENGLAND

News release

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PRA/FCA Mortgage Lenders and Administrators Statistics published

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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 Q1 2013. These are available from both the Bank and FCA websites and, as previously announced, this dataset previously published by the Financial Services Authority is now jointly owned by the two current regulators.

Key statistics for Q1 2013 are as follows:

- The overall value of the residential loan amounts outstanding was £1,228 billion in Q1 2013, a decrease of 0.1% compared with Q4.
- There was a 4.3% reduction in the value of new commitments to £35.5 billion when compared with Q1 2012.
- Gross advances of £34.0 billion in Q1 2013 were 6.8% lower than in Q1 2012 – a downward trend usual in the first quarter of the year. Net advances were also 52% lower than in Q1 2012 to £1.3 billion.
- The overall average interest rate on gross advances decreased from 3.81% last quarter to 3.65% in Q1 2013. This was largely the result of a reduction of 30 bps in the rate for fixed rate lending.
- Lending for house purchase accounted for 63.4% of new advances – 2.6 percentage points lower than in Q4 2012. The proportion of advances for re-mortgages increased in Q1 to 29.4%.
- The number of new arrears cases in Q1 2013 was 5.8% higher than in Q4 2012 at 36,700. The total number of loan accounts with reportable arrears also decreased slightly to 296,400 in Q1 2013.
- The proportion of the residential loan book that is in arrears, and hence not fully performing, remained at 2.4% in Q1 2013, unchanged from Q4 2012.
- Arrears totalling £29 million on 8,106 accounts were capitalised in Q1 2013 - an increase of 4.7% by amounts of arrears compared with Q1 2012 but a reduction of 0.1% by number in the same period.
- New cases taken into possession totalled 8,092 in Q1 2013, 3.9% higher compared to Q4 2012 but a 15.1% reduction from Q1 last year.

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

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 3232.