



**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 Q2 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 Q2 2013 are as follows:

- A number of metrics are at record levels since the series began in 2007, including gross new lending and interest rates on gross new lending. The numbers of new arrears cases are also at a record low.
- The overall value of the residential loan amounts outstanding was £1,330 billion in Q2 2013, an increase of 0.1% compared with Q1.
- Gross advances of £41.6 billion in Q2 2013 were 23% higher than in Q1 2013 – an upward movement usual in the second quarter of the year, but also 13% higher compared with the same quarter in 2012. The increase of 23% compared with Q1 2013 is the highest percentage increase between Q1 and Q2 in any year since the series began in 2007.
- Net advances in Q2 2013 amounted to £5.1 billion, 8.6% higher compared with Q2 2012.
- There was a 19.3% increase in the value of new commitments to £47.5 billion when compared with Q2 2012 – the largest quarterly amount of new commitments since Q3 2008.
- The overall average interest rate on gross advances decreased from 3.65% in Q1 2013 to 3.47% in Q2 2013, the lowest interest rate recorded since the series began.
- Lending for house purchase accounted for 65.0% of new advances – 1.6 percentage points higher than in Q1 2013. The proportion of advances for re-mortgages fell back in Q2 to 28.3%.
- The value of residential loans advanced to first time buyers increased by £1.9 billion over the past year to £8.0 billion, an increase of 31%.
- There was a large increase in the value of new lending for buy to let (BTL) over the past year – up from £3.9 billion advanced in Q2 2012 to £5.0 billion in Q2 2013.
- The proportion of gross advances at a high LTV (i.e. over 90%) increased from 2.1% in Q1 2013 to 2.5% in Q2 2013.

- The proportion of gross advances to high joint income multiple borrowers (i.e. more than 3.00x) also increased in Q2 2013 by 1.7 percentage points to 24.8% compared with Q1 2013.
- Overall, the proportion of new lending done at a combination of high LTV and high income multiple increased to 1.6%, a level last recorded in Q2 2009.
- The number of new arrears cases in Q2 2013 was 12% lower than in Q1 2013 at 32,500. The total number of loan accounts with reportable arrears also decreased to 292,200 in Q2 2013.
- The performance of loans in arrears – payments received as a percentage of payments due – improved for the fourth quarter in succession to 60.5% in Q2 2013.
- Arrears totalling £27 million on 7,556 accounts were capitalised in Q2 2013 - a decrease of 1.5% by amounts of arrears compared with Q2 2012 and a reduction of 4.0% by number in the same period.
- New cases taken into possession totalled 7,795 in Q2 2013, a 10% reduction from Q2 2012.

### 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.

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