



Statistical release

10 March 2015

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 Q4 2014.

Key statistics for Q4 2014 are as follows:

- The overall value of the residential loan amounts outstanding was £1,260 billion in Q4 2014, an increase of 0.3% compared with Q3 2014 and 1.7% compared with Q4 2013.
- Gross advances of £51.3 billion were recorded in Q4 2014. This was 8.1% lower than Q3 2014 and 0.2% lower compared with Q4 2013.
- New commitments also decreased – from £53.6 billion in Q3 2014 to £46.3 billion in Q4 2014, a decrease of 8% compared with Q4 2013.
- The proportion of gross advances at fixed rates decreased for the first time in nine quarters falling to 82.2% in Q4 2014 from 82.6% in Q3 2014. The Q3 outturn was highest since the series began in Q1 2007.
- The overall average interest rate on gross advances decreased by 5bps, from 3.31% in Q3 2014 to 3.26% in Q4 2014.
- The value of residential loans advanced to first time buyers decreased over the quarter to £11.2 billion from £12.1 billion in the previous quarter. The Q3 2014 outturn was the highest since Q3 2007.
- Buy to let (BTL) lending increased from £6.6 billion advanced in Q4 2013 to £7.6 billion in Q4 2014.
- The proportion of gross advances at an LTV over 90% decreased by 0.5 percentage points over the quarter to 3.8% in Q4 2014.
- The proportion of gross advances to borrowers with a single income multiple of more than 4.00x decreased by 1.1 percentage points to 9.7% in Q4 2014.
- The proportion of gross advances that is a combination of an LTV over 90% and loan-to-income multiple of over 3.5x for single income borrowers (or 2.75x for joint income borrowers) decreased over the quarter by 0.6 percentage points to 2.5%.
- The number of new arrears cases in Q4 2014 was 22,920. This was 5.1% lower than in Q3 2014 and was the lowest since the series began in 2007.

- The performance of loans in arrears – payments received as a percentage of payments due – decreased from 63.1% in Q3 2014 to 62.9% in Q4 2014.
- New cases taken into possession totalled 4,166 in Q4 2014, a 19.2% reduction from Q3 2014. The stock of possession cases remaining unsold also decreased to 7,774 in Q4 2014, the lowest 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 of a possession within these data 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. No breakdown is available for these statistics on a regional or local authority basis.
6. 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.