



# Proposals for a loan-level data collection for buy-to-let lending: a consultation

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This article seeks views from stakeholders on proposals to collect loan-level buy-to-let lending data. The collection will support the needs of the Monetary Policy Committee, the Financial Policy Committee and the PRA Board<sup>1</sup> and therefore aims to combine Bank of England statistical and regulatory data requirements into one collection for the first time. We invite comments on the proposed list of attributes, the potential difficulties in obtaining data on lending to corporates, and the proposed timing, by 10 June 2016.

## Overview

This article sets out Bank of England proposals to develop a new loan-level data collection on buy-to-let lending activity. The proposed data collection addresses the needs of statistical and regulatory data users in one Bank of England collection for the first time, and the Bank, having had regard to the Statistical Code of Practice<sup>2</sup>, considers that it is appropriate to seek views from stakeholders by way of a public consultation.

The collection will build on a data set currently collected by the Council of Mortgage Lenders (CML), but with additional attributes and reporters in order to provide more detail and greater coverage. Definitions of common attributes have been aligned to those used for the Product Sales Data (PSD) collected by the Financial Conduct Authority (FCA), where applicable. The proposed attributes and definitions (see Appendix 1) have

been developed following liaison with both the CML and FCA.

The proposals have been developed in response to the increasing importance of buy-to-let lending in understanding overall housing market dynamics, which in turn play an important role in understanding developments in the broader economy. For this reason, it is important that the Monetary Policy Committee has timely data on developments in buy-to-let lending. Given the increasing use of granular data to understand macroeconomic dynamics, the Bank of England proposes to collect data at the level of individual loans, rather than at the aggregate level for each reporter.

The Bank of England proposes to collect these data under Section 17 of the Bank of England Act 1998.<sup>3</sup>

It is anticipated that the data collection will also be useful for financial stability and microprudential purposes. Serving all three needs with one collection avoids the burden of establishing separate statistical and regulatory collections.

<sup>1</sup> Under the Bank of England and Financial Services Bill, which is currently making its way through Parliament, it is proposed that the PRA will become an authority within the Bank. This legislation, if passed, could take effect later in the year and would result in the PRA Board becoming a committee of the Bank, the Prudential Regulation Committee. Firms should, however, experience no change in relation to the proposals set out in this technical consultation.

<sup>2</sup> See paragraph 1.3, *Bank of England Statistical Code of Practice*, June 2013, available at: <http://www.bankofengland.co.uk/statistics/Documents/about/code.pdf>.

<sup>3</sup> See 'The Bank of England Act 1998, the Charters of the Bank and related documents', a summary of Bank of England constitutional documents, July 2015, available at: <http://www.bankofengland.co.uk/about/documents/legislation/1998act.pdf>.

The collection will serve as an important data source for the Financial Policy Committee (FPC) to monitor – and if necessary mitigate – risks to financial stability. The FPC supports proposals to develop a data collection for systematic monitoring of terms and conditions on buy-to-let lending.<sup>4</sup>

The proposals should be read in conjunction with HM Treasury's consultation on giving powers of direction to the FPC on buy-to-let lending.<sup>5</sup> In the event that powers are granted and applied, the FPC would need a consistent and robust data collection in order to calibrate, monitor and enforce any policy adopted for financial stability purposes.

The collection will support the objectives of the Prudential Regulation Authority (PRA) in regulating firms. The PRA issued a consultation paper on buy-to-let lending underwriting standards on 29 March 2016 and the additional data proposed will assist the PRA in monitoring how firms have taken account of these new standards.<sup>6</sup>

Separately, the PRA has also today published a consultation paper setting out proposals on future regulatory data reporting of balance sheet, statement of profit or loss and forecast capital data.<sup>7</sup> The PRA's consultation addresses the role of granular data in general.

This article is relevant for all UK firms (including unregulated firms<sup>8</sup>) that carry out buy-to-let lending.

<sup>4</sup> See paragraph 29, Record of the Financial Policy Committee Meeting, 24 June 2015, available at: <http://www.bankofengland.co.uk/publications/Documents/records/fpc/pdf/2015/record1507.pdf>.

<sup>5</sup> Consultation on Financial Policy Committee powers of direction in the buy-to-let market, available at: <https://www.gov.uk/government/consultations/consultation-on-financial-policy-committee-powers-of-direction-in-the-buy-to-let-market>.

<sup>6</sup> Underwriting standards for buy-to-let mortgage contracts – CP11/16, available at: <http://www.bankofengland.co.uk/pr/Pages/publications/cp/2016/cp1116.aspx>.

<sup>7</sup> See paragraphs 2.19-2.22, Regulatory reporting of financial statements, forecast capital data and IFRS 9 requirements, available at: <http://www.bankofengland.co.uk/pr/Pages/publications/cp/2016/cp1716.aspx>.

<sup>8</sup> Firms that are neither regulated by the FCA or PRA.

The Bank intends to publish aggregated data on buy-to-let lending. The Bank aims to publish within twelve months of the start of the new collection depending on assessments of the data quality of the initial submissions.

## Proposals

The Bank of England proposes to collect loan-level data from firms relating to new buy-to-let lending. This will provide greater analytical flexibility to users within the Bank and reflects a growing demand from users of financial data for more granularity. It will reduce the likelihood of requests for additional data to firms on a regular or ad-hoc basis in the future.

The CML currently collects both aggregated and loan-level data on buy-to-let lending. Their loan-level data collection is reported by 16 lenders, covering around 90 per cent of the value of total buy-to-let lending flows. It includes 28 attributes on the flow of new lending compared to 46 for the proposed collection.<sup>9</sup> The Bank and the CML have been working closely together to develop this collection to collect more attributes and to provide greater coverage of the market, including CML attendance at working group meetings.

## Reporting timetable

Following initial discussions with reporters, the Bank proposes that firms will report data on a quarterly basis, twenty working days after the end of the quarter. Firms fulfilling the reporting criteria will be expected to deliver data for the first time in July 2017, relating to 2017 Q2. The Bank is interested in views on the feasibility of the proposed delivery date from reporting institutions.

## Reporting thresholds

The Bank proposes that all firms with new lending exceeding £20mn annually will be required to report. Reporting will cease if subsequently annual buy-to-let lending flows drop below £10mn. This will be measured on a rolling basis, with firms asked to report if the cumulative annual threshold

<sup>9</sup> Excluding buy-to-let house purchase approvals and cancellations, to be collected on an aggregated basis.

is met for two successive quarters. While a firm level collection is proposed, all entities within scope will need to report if the group meets the reporting threshold. This will give a reporting population covering approximately 99% of the market. A suitable notice period will be given to firms who meet the threshold for reporting.

## Stocks and flows

The proposed collection will cover new lending originated from 1 April 2017 onwards, with attributes defined at the point of loan origination. The Bank does not propose to collect data on the attributes on the outstanding stock of buy-to-let loans.

## Retail and corporate buy-to-let lending

The proposed collection covers buy-to-let lending initiated from both the corporate and retail books, where retail exposures are defined in accordance with Article 123 of the Capital Requirements Regulation (CRR).<sup>10</sup> The Bank is aware that there may be potential difficulties in reporting buy-to-let lending initiated from corporate books for some lenders. Where this is the case, respondents to the consultation are requested to distinguish between the reporting of retail and of corporate buy-to-let lending in their comments.

## Definitions

The proposed definition of buy-to-let lending for the purposes of this collection is stated in Appendix 1.

This definition includes lending to UK residents secured on properties outside the UK and lending to non-residents secured on UK properties. It also includes 'consumer' buy-to-let lending.<sup>11</sup> A small

number of regulated buy-to-let mortgages<sup>12</sup> will be captured in both the PSD collection and in this proposed collection. While this collection has generally sought to minimise overlaps, some overlap is required in order to capture attributes specific to buy-to-let lending that are not captured in the PSD, such as monthly rental income and borrower tax rates.

The Bank proposes that mortgages on properties used for holiday letting should be excluded from the collection, as they represent a different market. Given its temporary nature, the Bank also proposes that consent-to-let<sup>13</sup> should be excluded from the collection. The proposals include let-to-buy<sup>14</sup> and second charge buy-to-let mortgages.

The proposed collection includes rate switches<sup>15</sup>, where a subset of attributes will be reported that are relevant to the particular transaction, but these should only be reported in cases where the loan was originated after 1 April 2017.

## List of attributes

The attributes and accompanying definitions can be found in Appendix 1.

In expanding the CML's existing collection, the Bank has considered both existing CML and PSD definitions, where appropriate, liaising with the CML and FCA on the proposed definitions.

To facilitate comparison to the Bank of England's house purchase approvals data, the Bank is proposing to collect two memo items (the number of buy-to-let house purchase approvals and cancellations in a quarter) as aggregated totals.

The Bank is interested in views on the proposed list of attributes and if any present particular issues to report within the proposed timescale.

<sup>10</sup> Capital Requirements Directive (2013/36/EU) (CRD) and Capital Requirements Regulation (575/2013) (CRR) – jointly 'CRD IV', Article 123, available at:

<https://www.eba.europa.eu/regulation-and-policy/single-rulebook/interactive-single-rulebook/-/interactive-single-rulebook/article-id/2502>.

<sup>11</sup> A buy-to-let mortgage contract which is not entered into by the borrower wholly or predominantly for the purposes of a business carried on, or intended to be carried on, by the borrower.

<sup>12</sup> Where a relative of the borrower occupies and lets to other persons.

<sup>13</sup> Consent-to-let allows a borrower to let out a property on a temporary basis due to a change in circumstances.

<sup>14</sup> Let-to-buy allows a borrower to remortgage their current main residence onto a buy-to-let basis, providing they are purchasing a new property simultaneously as their main residence.

<sup>15</sup> Rate switches occur when a mortgage is moved to a new product with the same lender, but there is no additional borrowing. This does not include mortgages moving onto a reversion rate at the end of their fixed or discounted term.

The Bank will welcome comments on points of detail on the reporting field definitions.

## Data sharing

The proposed data collection will include certain attributes that relate to individuals and which will constitute personal data under the Data Protection Act 1998.<sup>16</sup> They will require secure transfer and storage and be subject to appropriate access controls. At all stages, the Bank will ensure it meets all necessary legal requirements in handling these data, and will ensure appropriate measures are in place to protect the data.

In addition to sharing the data with the PRA, the Bank anticipates sharing the data with the FCA, based on the need to share firm level statistical and regulatory data.<sup>17</sup> The Bank will ensure that in sharing any data, it will do so on an appropriate legal basis.

## Costs and benefits

The Bank has assessed the costs and benefits of this new data collection following discussion with internal user areas and a sample of reporting firms.

This data collection will act as the primary source for buy-to-let lending data across the Bank. Data required for statistical and regulatory needs have evolved separately, but there is an opportunity to consolidate these data collections and account for future statistical and regulatory needs, to reduce reporting burden on firms over time.

The data collection will make a material contribution to the Bank's understanding of housing model dynamics, which are important for monetary policy. Traditionally for this purpose, the Bank has collected mortgage data at an aggregated level and published statistical outputs. The Bank plans to use this new granular data

<sup>16</sup> This refers to the combination of full postcode and date of birth.

<sup>17</sup> The Bank of England Act 1998, supplemented by the Banking Act 2009, authorises the Bank of England in particular circumstances to disclose confidential individual institutions' data, including to the FCA, *Statistical Code of Practice*, June 2013, available at:

<http://www.bankofengland.co.uk/statistics/Documents/about/code.pdf>. See paragraph 1.1.5.

source for richer analysis and to publish aggregated data.

As already highlighted, this collection will assist the FPC in monitoring risks to the financial system emanating from this market, and help them calibrate, monitor and enforce potential policy action they deemed necessary.

The PRA will also use this data collection to systematically monitor underwriting standards in buy-to-let lending, based upon the Consultation Paper which was issued on 29 March 2016.

Some data on buy-to-let lending are currently available to the Bank through a variety of means, but there is incomplete market coverage, inconsistent definitions and insufficient detail. For example, only the current voluntary CML loan-level collection contains data necessary to analyse the distribution of loan attributes and to calculate interest coverage ratios at various interest rates. See Appendix 2 for a summary of existing sources of buy-to-let lending data.

The timeliness of the data is a key feature, enabling the Bank to interpret evolving housing market dynamics, anticipate threats to financial stability and detect changes in underwriting standards.

Costs to firms may vary depending on their current systems. Larger buy-to-let lenders currently reporting to the CML will need to add attributes to their existing reporting systems. Lenders not currently reporting to the CML will need to set up new reporting procedures, but will generally have a smaller loan book.

The incremental costs of the collection are thought to be mid-range for developments of existing or new data collections as the majority of data appears to exist in reporting institutions' systems already, with most of the remainder available in some form, if not necessarily captured in IT systems. For some firms, a minority of attributes might be more problematic to capture or extract from their systems. The Bank has considered the feedback it has already received and decided not to collect certain attributes (for example, intermediary fees and information

relating to cross-collateralised loans), where the cost was deemed greater than the likely benefit.

## **Responses**

The consultation closes on Friday 10 June 2016. The Bank invites comments on the proposed list

of attributes, the potential difficulties in obtaining data on lending to corporates and the proposed timing. Please send your responses to [srdd\\_btl\\_consultation@bankofengland.co.uk](mailto:srdd_btl_consultation@bankofengland.co.uk).

The Bank will consider feedback and will aim to finalise requirements by the end of June 2016.

## Appendix 1

### General definitions

**Buy to let (BtL) loans** cover mortgages where the loan assessment is based, or partly based, on the rental yield of the property. The following criteria should apply to the buy-to-let mortgage contract:

- (a) the lender provides credit to the borrower;
- (b) the obligation of the borrower to repay is secured by a mortgage on land whether or not in the United Kingdom;
- (c) at least 40% of the land is used, or is intended to be used, as or in connection with a dwelling for residential letting purposes;
- (d) the land subject to mortgage will not be occupied as a dwelling by the borrower and is to be occupied on the basis of a rental agreement; and
- (e) the land subject to mortgage will not be occupied by a related person of the borrower, except in the case of regulated buy-to-let mortgages where the related person occupies and lets to other persons (eg a student may live in a property owned by their parents, while letting it to other students).

A related person would include:

- (a) that person's spouse or civil partner;
- (b) a person (whether or not of the opposite sex) whose relationship with that person has substantially the same characteristics of a relationship between husband and wife or between civil partners; or
- (c) that person's parent, brother, sister, child, grandparent or grandchild.

Holiday lets, loans to housing associations and consent-to-let<sup>17</sup> products should not be included as part of this collection.

All monetary values should be reported in sterling regardless of the currency of the original transaction, translated into sterling in accordance with statistical reporting definitions.<sup>18</sup>

Reporting should be carried out on the basis of calendar quarters.

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<sup>17</sup> A consent-to-let product is a residential mortgage where the borrower applies to let property on a temporary basis due to a change in circumstances.

<sup>18</sup> See 7 (b) (i) of the General Notes and Definitions, available at: [http://www.bankofengland.co.uk/statistics/Documents/reporters/defs/def\\_gene2014.pdf](http://www.bankofengland.co.uk/statistics/Documents/reporters/defs/def_gene2014.pdf).

**Field-by-field definitions**

Field Name	Contents	Additional notes / guidance
<b>ADMINISTRATIVE / REFERENCE ATTRIBUTES</b>		
Submitting Firm	FCA Reference of the Product Provider (STRING)	FRN of the providing Firm. For firms not authorised by FCA, a unique dummy code will be assigned to the firm.
Firm FCA Reference	The FCA Reference of the selling firm (STRING)	FRN of the selling Firm. For firms not authorised by FCA, report NA.
Transaction Reference	The transactions reference (STRING)	A unique reference that can be used to identify individual records (eg an account number). The transaction reference number must be unique across all submissions across all reporting periods.
Borrower Reference	The borrower reference (STRING)	A unique reference that can be used to identify individual borrowers. This is only unique to the lender and not across lenders. These should be static over time.
Property Reference	The property reference (STRING)	A unique reference that can be used to identify individual properties. This is only unique to the lender and not across lenders. These should be static over time.  For let-to-buy this should relate to the existing property which is being remortgaged and rented out.
<b>PRODUCT ATTRIBUTES</b>		
Account Open Date	Date the mortgage account was opened with the originating firm (DATE: YYYY-MM-DD format)	Date of mortgage completion or drawn-down of funds.
Loan Type	Loan type: HP: House purchase PM: Ported mortgage LB: Let-to-buy ER: External Remortgage IR: Internal Remortgage RS: Rate switch FA: Further advance SC: Second charge NK: Not Known	A ported mortgage is the same product on a new property.  A let-to-buy mortgage <sup>19</sup> is a form of buy-to-let lending that allows a homeowner to remortgage and let out their existing property to use the funds for a new home.  Report consent-to-let mortgages converting to buy-to-let as a remortgage.  Rate switches occur when a mortgage is moved to a new product with the same lender, but there is no additional borrowing. This does

<sup>19</sup> A let-to-buy product re-mortgages the borrower's current main residence onto a BTL basis, providing they purchase a new property simultaneously as the main residence.

		not include mortgages moving onto an SVR or reversion rate at the end of their fixed or discounted term. They should be reported only if the loan originated after 1 <sup>st</sup> April 2017.
Loan Amount	Size of loan (INTEGER)	<p>For Further Advance report the amount of additional borrowing only. The amount of additional borrowing should be the size of the new loan less the value of the previous mortgage outstanding immediately prior to completion.</p> <p>For internal and external remortgages, second charge and ported mortgages report the total loan amount.</p> <p>Include fees if they have been rolled up into the loan.</p>
Extra Money Raised	Amount of extra money withdrawn for remortgages or additional borrowing (NUMERIC £)	<p>For ported mortgages, internal and external remortgages and second charge mortgages only, report the amount of extra money withdrawn when the new mortgage is larger than the previous mortgage.</p> <p>Report the extra money withdrawn as the size of the new loan less the value of the previous mortgage outstanding immediately prior to completion.</p> <p>Report a zero value if no extra money was raised.</p> <p>Leave blank if loan type is anything other than an internal or external remortgage, second charge or ported mortgage.</p>
Purpose Of Additional Funds	01: Extra money raised to buy another property 02: Extra money raised for improvements to rental property 03: Extra money raised for debt consolidation 04: Extra money raised for releveraging 05: Extra money raised for a combination of purposes 06: Other 98: No extra money raised 99: Not known	<p>The purpose of extra money withdrawn.</p> <p>Only report for internal and external remortgage, second charge or ported mortgage.</p>
Currency	Currency: GBP: Pound sterling EUR: Euros USD: US dollar OTH: Other foreign currency	The currency that the original transaction was made in.
Lender Fee Amount	Fee charged by the lender (NUMERIC £)	<p>Report all fees charged by the lender. These should not include any fees paid by the lender which are not passed onto the customer. All fees reported here should only be those borne by the customer.</p> <p>Do not include any fees charged by the intermediary, either to the borrower or the lender.</p>

Fees Rolled Up	Amount of fees rolled up into loan: (NUMERIC £)	Report all fees charged by the lender rolled up into the loan.
Loan Regulation	Is the loan: R: Regulated Framework N: Not Regulated	Report 'R' where a person related to the borrower occupies and lets to other persons.
Mortgage Term	Term of Mortgage in MONTHS (INTEGER)	The term of the loan (in months) at the date reported in Account Open Date  This is the length of the loan from the date the product was opened until maturity of the loan.  For multiple products with different terms report for the largest part of the loan
Primary Repayment Method	Method of repayment: C: Capital and interest I: Interest Only M: Part and Part	Report the repayment method at point of origination.
<b>RATE ATTRIBUTES</b>		
Initial Gross Rate	Initial gross charging rate of interest (NUMERIC %)	Report the interest rate charged at origination to 2 decimal places, e.g. 4.99.  If there are multiple elements of the same loan report the interest rate applied to the largest element of the loan.  For further advances and second charge mortgages, the rate should apply to this element of the loan.
Interest Rate Type	Interest Rate Type <sup>20</sup> : 01: Fixed rate 02: Discounted variable rate 04: Capped rate 05: Standard variable rate 06: Bank of England Bank Rate tracker 07: LIBOR tracker 08: Other tracker 99: Other	Report the interest type at the point of loan origination.  If there are multiple products related to the same loan report the interest rate applied to the largest element of the loan.

<sup>20</sup> **Initial gross rate:** Should be reported on an accrued basis as opposed to a cash basis, ie reported when the interest is earned, on a monthly basis, as opposed to when the interest is actually paid.

**Fixed rate:** Under a fixed rate mortgage, the interest rate remains the same throughout the period of the deal, even if there is a change in the Bank of England base rate. After the fixed period ends the mortgage will automatically move to a reversion rate.

**Discounted variable rate:** A discounted variable rate mortgage offers a discount on a certain interest rate, most commonly a lenders Standard Variable rate. The discount can be for an introductory term or for the life of the mortgage. At the end of the discount period, the rate would then stay on the lenders' SVR. Early repayment charges will apply during the discount period.

**Tracker:** Bank Rate Tracker (BRT) mortgage products are linked to the Bank of England's Bank Rate and the margin between the reference rate and the mortgage is fixed for a specific time period

**Lifetime tracker:** A Lifetime Tracker (LTT) mortgage is defined as a mortgage linked directly to the Bank of England's Bank Rate and the margin is fixed for the full term of the mortgage e.g. 25 years.

**Capped rate:** This is a type of variable rate mortgage. The interest rate cannot go above an interest rate ceiling.

**Standard Variable rate:** A Standard variable rate (SVR) is a variable rate determined by the lender with no early repayment charge. It is usually used as a reversion rate when a product comes to the end of its fixation period or incentivised rate.

Reversion Rate Type	<p>Reversion Rate Type:</p> <p>01: Fixed rate  02: Discounted variable rate  04: Capped rate  05: Standard variable rate  06: Bank of England Bank Rate tracker  07: LIBOR tracker  08: Other tracker  09: Lender Bank Rate equivalent  98: not applicable  99: other</p>	<p>The current reversion rate type should be reported.</p> <p>A lender base rate equivalent is where a lender may use an internal version of the Bank of England base rate to use as a reference rate. If so, report the lender base rate equivalent.</p>
Stressed Rate	'Stressed' Interest rate used in assessment of affordability. (NUMERIC %)	Report the interest rate used in the assessment of affordability / Interest coverage ratio (ICR) to 2 decimal places to take account of likely future interest rate increases as discussed in Appendix 1, paragraphs 2.12-2.17, <a href="#">CP11/16</a> .
Reversion Rate	Reversion rate of interest following the end of the incentivised rate (NUMERIC %)	<p>The current reversion rate should be reported ie what rate would the loan revert to if the fixed or discount variable term ended today.</p> <p>Report to 2 decimal places.</p>
Date Incentivised Rate Ends	Date incentivised rate ends (DATE: YYYY-MM-DD format)	<p>This is the date at which a fixation period, discount, or fixed margin above a reference rate is due to end. At this point the product will move automatically to the reversion rate.</p> <p>If there are multiple products related to the same loan report the interest rate applied to the largest element of the loan.</p>
<b>PROPERTY ATTRIBUTES</b>		
Property Post Code	The post code of the property (STRING) O: overseas	<p>Postcode of the mortgaged property. If New Dwelling equals 'Y' then the first half of the postcode can be provided, else provide the full postcode.</p> <p>If the property is located outside of the UK, report this as overseas</p> <p>For let-to-buy this should be the post code of the existing property which is being remortgaged and rented out.</p>
Property Value	Value of mortgaged property (INTEGER)	<p>Market value of mortgaged properties at account open date.</p> <p>For let-to-buy this should be the value of the existing property which is being remortgaged and rented out.</p>
Purchase Price	Purchase Price of property (INTEGER) NA: Not applicable	<p>Purchase price of the property. Report only for a house purchase or ported mortgage.</p> <p>Report 'NA' for let-to-buy.</p>

Monthly Rental Income	Expected gross rental income per month for the property in this application (INTEGER)	Report the value of expected monthly <b>rental</b> income used in underwriting.
New Dwelling	Is the dwelling new: N: new dwelling E: existing dwelling CN: newly converted from non-residential CE: newly converted from existing residential NK: Not known	Report as a new dwelling if the borrower is the first owner of the dwelling.
Type of Dwelling	The type of dwelling: B: Bungalow D: Detached house S: Semi-detached house T: Terraced house H: House: type unknown F: Converted flat or maisonette P: Purpose-built flat or maisonette A: Flat: type unknown NK: Not known	
Houses in Multiple Occupation	Is the dwelling a House in Multiple Occupation (HMO): Y: Yes N: No	The following apply to a HMO: at least 3 tenants live there, forming more than 1 household, with shared toilet, bathroom or kitchen facilities with other tenants.
Number of Bedrooms	Number of bedrooms (INTEGER)	
<b>BORROWER ATTRIBUTES</b>		
Main Date of Birth	Date of birth of main borrower (DATE: YYYY-MM-DD format)	For corporate borrowers, report the incorporation date.
Borrower Postcode	The post code of the borrower (STRING) N: non-resident	Postcode of the borrower's home address. If the borrower is resident outside of the UK, report this as 'N'.
Borrower Sector	The type of borrower I: Individual U: Unincorporated business S: SME L: Large corporate O: Other	Sectoral classification of borrower:  Unincorporated business (including sole traders) should be reported as U except: i) where the proprietor has borrowed on a personal account, and should be treated as an individual. ii) unlimited liability partnerships, which should be reported as a company (either 'S' or 'L'). See the <a href="#">Classification of accounts guide</a> for further information.  Report businesses with an annual debit turnover of up to £25m as SMEs. Report businesses with an annual debit turnover of over £25m as large corporates.

Exposure Type	R: Retail C: Corporate	Retail exposures should be defined according to Article 123 of the Capital Requirements Regulation. <sup>21</sup>
Type of Income Assessment	The type of income assessment: I: Affordability tested purely on Interest coverage ratio (ICR) B: Firm has taken account of the main borrower's personal income (in addition to expected rental income) as a means for the borrower to support the monthly mortgage payments J: Firm has taken account of the personal income of the main and secondary borrower (in addition to expected rental income) as a means to support the monthly mortgage payments NA: Not applicable	If the income reported in 'Main borrower income' and 'Second borrower income' has been taken into account as a means for the borrower to support the monthly interest mortgage payments, in accordance with CP11/16 (ie a detailed affordability assessment has been conducted, taking into account income, credit commitments, essential expenditure and living costs and other committed expenditure) 'B' or 'J' should be reported, otherwise report 'I'. Report NA for corporates
Main Borrower Income	Total gross income of the main borrower (INTEGER) -1: Not applicable -2: Not assessed	Report the value as expected monthly income before tax, excluding pension contributions, bonuses and any rental income. Report '-2' if main borrower income was not assessed. Report '-1' for corporates
Second Borrower Income	Report any income from an additional borrower considered in affordability assessment (if applicable) (INTEGER) NA: Not applicable	Report the value of the secondary borrowers expected monthly income before tax, excluding pension contributions, bonuses and any rental income. Leave blank if second borrower income was not assessed, or there is no second borrower.
Main Borrower Tax Rate	What rate of income tax will the main borrower be paying once monthly rental income on this and other investments are taken into account? (NUMERIC %) -1: Not applicable -2: Not known	The rate of tax applied to the income assessment. Report '-1' for corporates
Second Borrower Tax Rate	(if applicable) What rate of income tax will the second borrower be paying once monthly rental income on this and other investments are taken into account? (NUMERIC %) -1: Not applicable -1: Not known	The rate of tax applied to the income assessment. Report '-1' for corporates

<sup>21</sup> See <https://www.eba.europa.eu/regulation-and-policy/single-rulebook/interactive-single-rulebook/-/interactive-single-rulebook/article-id/2502>

Main Borrower Impaired Credit History	<p>Impaired credit history of the main borrower:</p> <p>01: arrears on previous or current <b>mortgage or other secured loan</b> within the last two years, where the cumulative amount overdue at any point reached three or more monthly payments</p> <p>02: arrears on previous or current <b>unsecured loan</b> within the last two years, where the cumulative amount overdue at any point reached three or more monthly payments</p> <p>03: one or more <b>county court judgements (CCJs)</b>, with a total value greater than £500, within the last three years</p> <p>04: being subject to an <b>Individual voluntary arrangement (IVA)</b> at any time within the last three years</p> <p>05: subject to a <b>bankruptcy</b> order at any time within the last three years</p> <p>06: being subject to a <b>debt relief order</b> at any time within the last three years</p> <p>97: Not applicable</p> <p>98: No impaired credit history</p> <p>99: Not known</p>	<p>Firms should not include technical arrears as part of the definition. Technical arrears means circumstances where the main borrower has been the victim of a banking error giving rise to late payment.</p> <p>Firms should ignore whether the borrower has subsequently paid off arrears, or have satisfied/discharged a CCJ or IVA or bankruptcy. In the case of loans involving two or more borrowers, the impaired credit test is whether any one of the borrowers individually meets any of the five listed impaired credit conditions.</p> <p>Report '97' for corporates.</p>
Main Borrower Tenure	<p>The tenure status of the borrower</p> <p>M: Mortgaged owner-occupier</p> <p>O: Outright owner</p> <p>R: Renter</p> <p>NK: Not known</p> <p>NA: Not applicable</p>	Report 'NA' for corporates.
Number of buy-to-let mortgages (Same Lender)	The total number of buy-to-let mortgages the borrower has with the same lender (INTEGER)	This will not include any mortgage on the borrower's main residence.
Number of buy-to-let mortgages (All Lenders)	The total number of buy-to-let mortgages within the total borrower portfolio (INTEGER)	This will not include any mortgage on the borrower's main residence.
Probability of Default	The probability of default at origination (NUMERIC %).	<p>The probability of default derived from the credit score as used by the firm to inform the underwriting decision.</p> <p>Report the Probability of Default score that is generated for new customers and is used for customer management purposes; which may or may not be the internal ratings-based probability of default used in Basel models. Where such as score does not exist, please use the application score.</p> <p>Leave blank if not used.</p>

Credit Score	Credit Score of the Borrower (INTEGER) NA: Not applicable NU: Not used	
Credit Score Provider	Credit Score provider: X: Experian Q: Equifax C: Call Credit O: Other I: Internal Score NA: Not applicable NU: Not used	

<b>MEMO ITEMS - AGGREGATED</b>		
Approvals	The number of buy-to-let mortgage approvals	An approval for house purchase refers to the firm offer to a customer (usually after a survey has been conducted) of a credit facility linked to a specific house or other dwelling. Institutions should include the total of agreed advances (whether or not the offer has been accepted by the prospective borrower), along with amounts recommended for retention, all instalment elements and further advances. They should exclude any loans secured on residential property acquired as a package from other lenders.
Cancellations	The number of buy-to-let mortgage cancellations	Any outstanding approval that has then been cancelled by the reporting institution during the period.

## Appendix 2

## Existing Buy-to-let Lending Data sources

Data source	Data available	Coverage	Dates	Key limitations
<b>CML (loan-level)</b>	Buy-to-let new lending flows.	Sample of 16 CML members.	Quarterly from 2014.	Selected reporters, on a voluntary basis.
<b>Sterling Monetary Framework - Eligible Collateral (Bank of England)</b>	Loan-level data submitted to the Bank for loans used as collateral in the Bank's operations.	Lenders with pre-positioned mortgage pools.	Quarterly from 2014.	Only covers those with pre-positioned mortgage pools.
<b>CML (aggregated)</b>	Stock of buy-to-let lending. Gross new lending (split by house purchase and remortgages). Arrears and possessions.	CML members only (grossed to the whole population).	Monthly from 2013. Quarterly from 2006. Semi-annually from 2000.	No information on loan-to-value (LTV), ICR.
<b>Mortgage Lenders and Administrators Return (FCA / Bank of England)</b>	Aggregated Gross/net/stock By £000s and number (splits of interest rates, LTVs, repayment-only and arrears).	Only includes mortgage lenders regulated by the FCA or PRA. <sup>22</sup>	Quarterly from 2007 for Deposit Takers, Q3 2005 for Non-deposit Takers.	Data breakdowns are for all unregulated mortgage lending rather than just buy-to-let lending. Does not provide ICR.
<b>Supervisory data (PRA)</b>	Various.	Selected.	Varies by firm.	Stock only. Different coverage. No ICR.

<sup>22</sup> Firms must have the Regulated Mortgage Lending/Admin Part IV Permissions in order for MLAR to become reportable.