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## Mortgage Lenders and Administrators Statistics: 2020 Q4

### Key findings

- The outstanding value of all residential mortgage loans was £1,541.4 billion at the end of 2020 Q4, 2.9% higher than a year earlier (**Table A**).<sup>1</sup>
- The value of gross mortgage advances in 2020 Q4 was £76.6 billion, 4.2% higher than in 2019 Q4 (**Table A and Chart 1**).
- The value of new mortgage commitments (lending agreed to be advanced in the coming months) was 24.2% higher than a year earlier, at £87.7 billion, and the highest level since 2007 Q3 (**Table A and Chart 1**).
- The share of gross advances with interest rates less than 2% above Bank Rate was 64.8% in 2020 Q4, 20.5 percentage points (pp) lower than a year ago (**Chart 2**).
- The share of mortgages advanced in 2020 Q4 with loan to value (LTV) ratios exceeding 90% was 1.2%, 4.5pp lower than a year earlier and the lowest level since these statistics began in 2007 (**Chart 3**).
- The share for house purchase for owner occupation was 63.9%, up 11.8pp from 2019 Q4. The share of gross advances for remortgages for owner occupation was 18.5%, a decrease of 10.7pp since 2019 Q4 (**Chart 5**).
- The value of outstanding balances with some arrears increased by 3.4% over the quarter to £14.3 billion, and now accounts for 0.93% of outstanding mortgage balances (**Chart 6**).

**Table A: Residential loans to individuals, flows and balances**

*Regulated and non-regulated mortgages\**

*£ billions*

*Not seasonally adjusted*

	Q3 2019	Q4	Q1 2020	Q2	Q3	Q4
<b>Flows</b>						
Gross advances	73.3	73.5	65.8	44.2	62.5	76.6
New commitments	73.8	70.6	67.3	34.4	78.9	87.7
<b>Amounts outstanding</b>	1,484.9	1,498.5	1,509.3	1,516.4	1,527.7	1,541.4

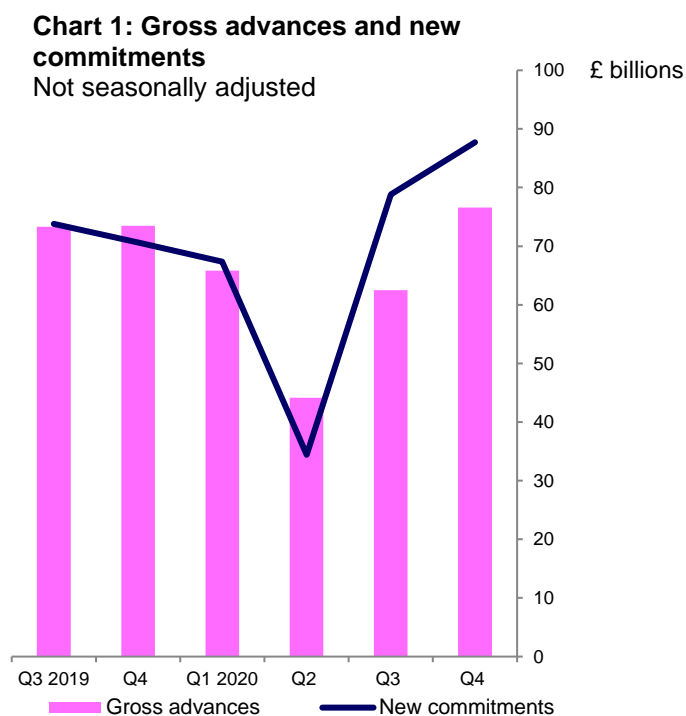
\*This data covers regulated mortgage lending, and non-regulated mortgage lending by firms which undertake regulated mortgage lending or administration of regulated mortgages.

Next release – 08 June 2021. Release available online at <https://www.bankofengland.co.uk/statistics/mortgage-lenders-and-administrators/2020/2020-q4> and [www.fca.org.uk/firms/mortgage-lending-statistics](http://www.fca.org.uk/firms/mortgage-lending-statistics).

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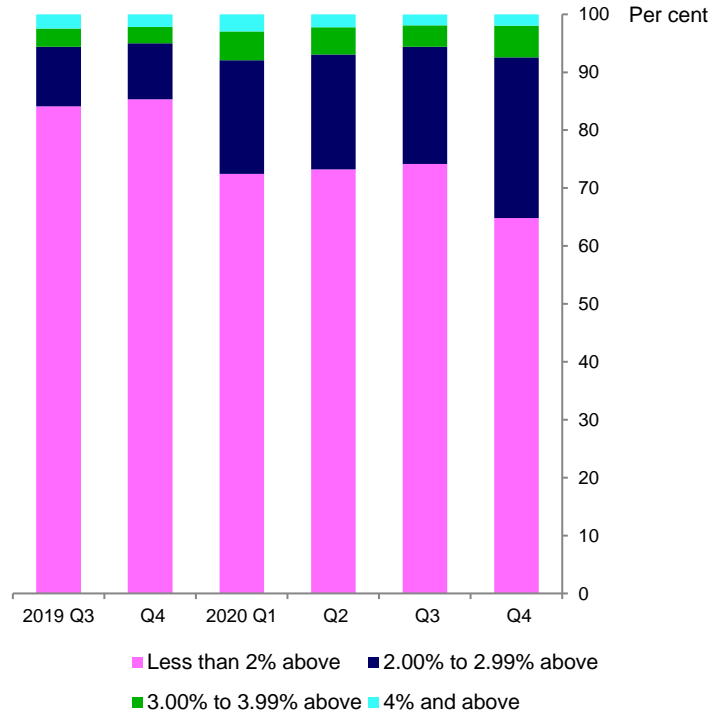
## Graphical Analysis:

- The value of gross mortgage advances was £76.6 billion in 2020 Q4, 4.2% higher than in 2019 Q4 (**Table A and Chart 1**).<sup>2</sup> However gross lending for 2020 in total was £249 billion, which was down 9.8% compared to 2019 (£276 billion).
- The value of new mortgage commitments (lending agreed to be advanced in the coming months) was 24.2% higher than a year earlier, at £87.7 billion, and the highest level since 2007 Q3.<sup>3</sup> However new lending commitments for 2020 in total was £268 billion, down 4.7% on 2019 (£282 billion).



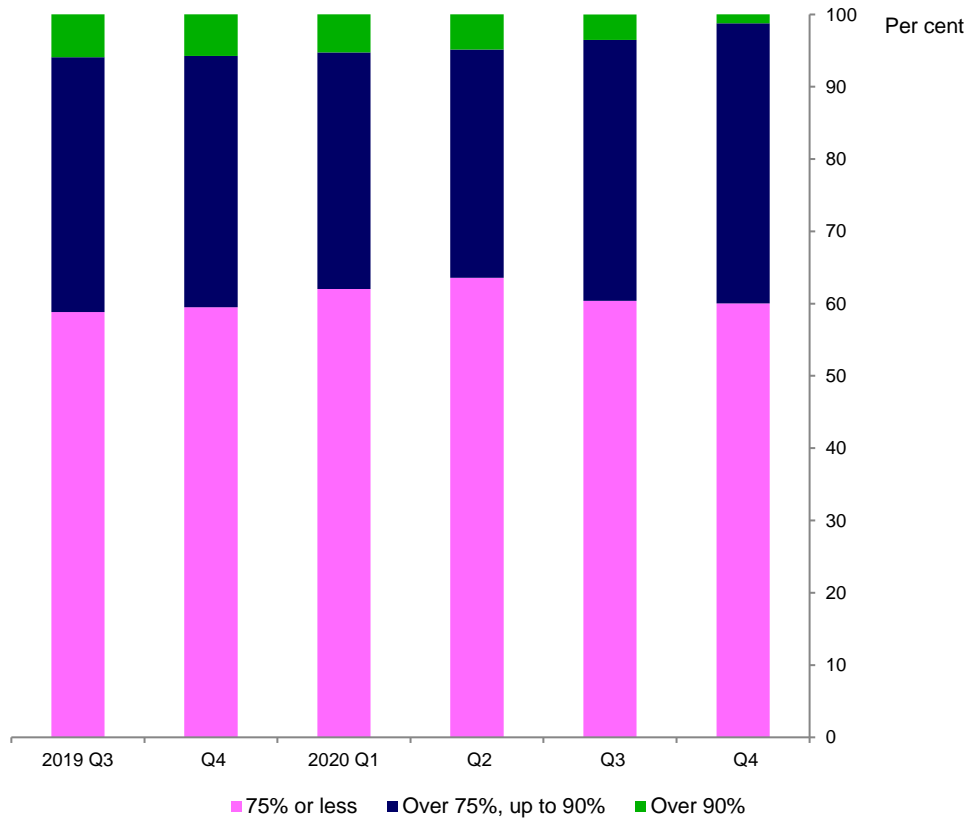
- The share of advances with interest rates less than 2% above Bank Rate was 64.8%, 9.4pp lower than last quarter and 20.5pp lower than a year ago. **(Chart 2)**.<sup>4</sup>
- The share of advances with interest rates between 2% and 3% above Bank Rate increased over the quarter to 27.8% from 20.3%, and the share of advances with interest rates 3% or more above Bank Rate increased by 1.9pp to 7.4% from 2020 Q3.<sup>5,6</sup>

**Chart 2: Per cent of business above Bank Rate - Gross Advances**  
Not seasonally adjusted



- The share of advances with LTV ratios exceeding 90% decreased on the quarter, by 2.3pp, to 1.2%. This is 4.5pp lower than a year earlier and the lowest level since 2007 (**Chart 3**).<sup>7</sup>
- The share of mortgages advanced in Q4 with loan to value (LTV) ratios exceeding 75% increased on the quarter to 40.0%, broadly unchanged from a year earlier.<sup>8</sup>
- The share of mortgages advanced with LTVs over 95% was 0.2%, broadly unchanged over recent quarters.<sup>9</sup>

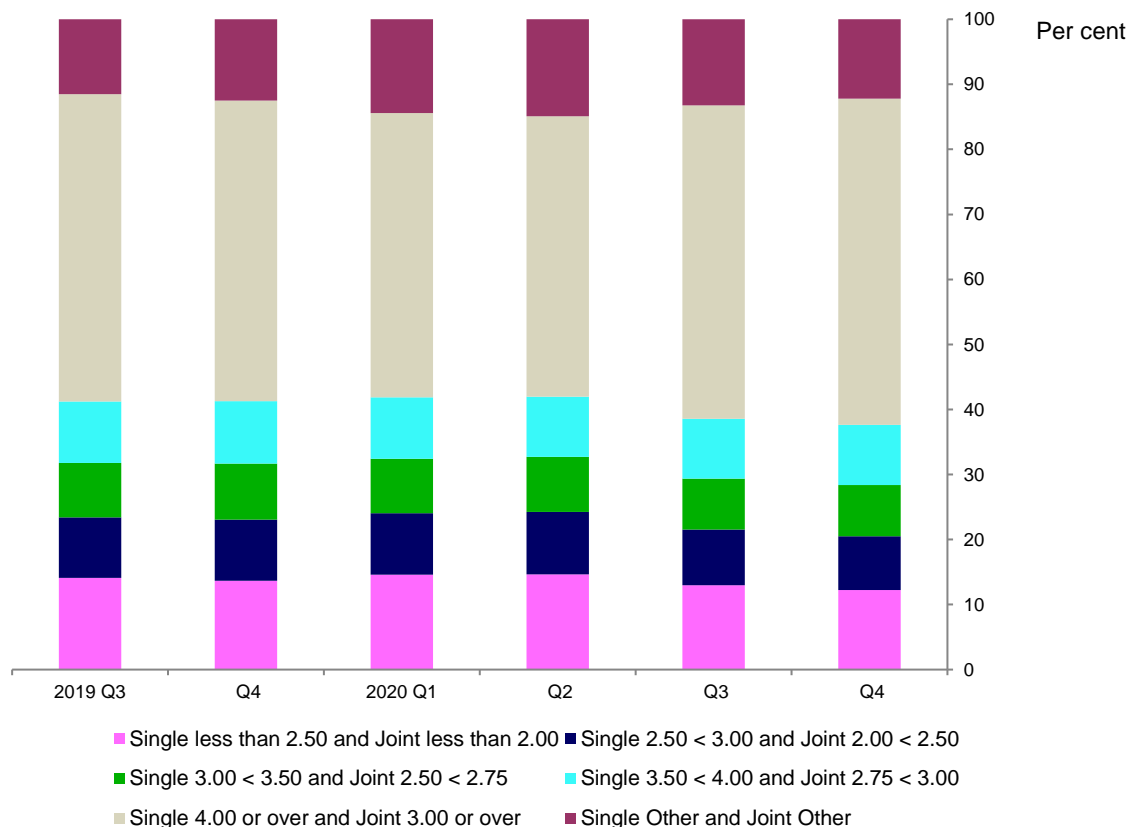
**Chart 3: Gross advances by loan to value (LTV) ratios**  
Not seasonally adjusted



The proportion of lending to borrowers with a high loan to income (LTI) ratio increased by 2.0pp on the quarter to 50.2%, the highest since 2007 Q1 when the series began (**Chart 4**).<sup>10</sup> Borrowers with high LTI are defined here as:

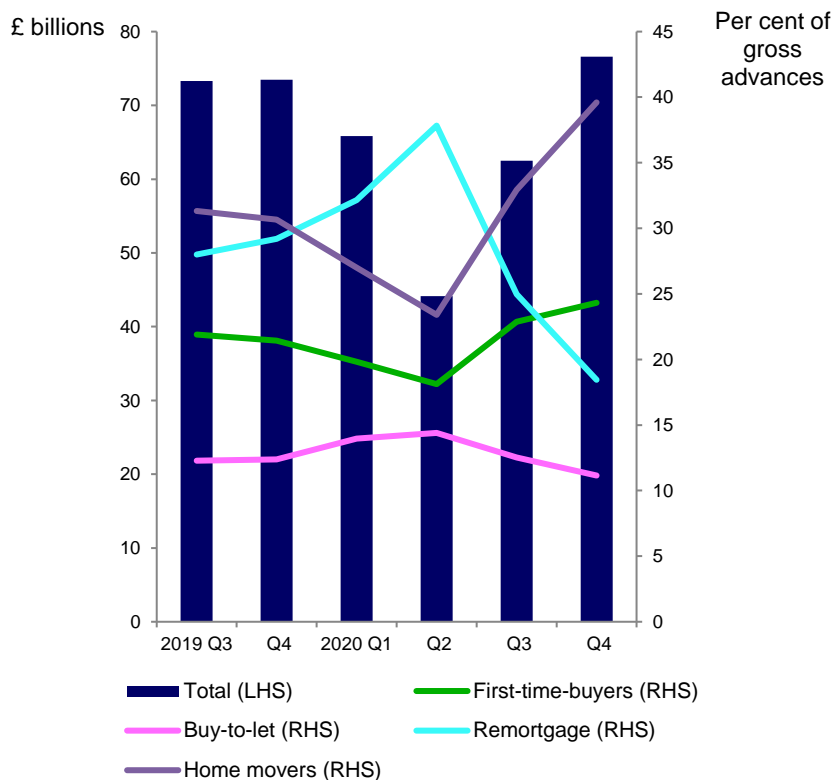
- Borrowers with single income who had a LTI ratio of 4 or above. These loans accounted for 11.3% of gross mortgage lending in Q4 2020, unchanged from the previous quarter.<sup>11</sup>
- Borrowers with a joint income who had a LTI of 3 or above. These loans accounted for 38.9% of gross mortgage lending in Q4 2020, a 2.0pp increase compared to the previous quarter.<sup>12</sup>

**Chart 4: Gross advances by income multiple**  
Not seasonally adjusted

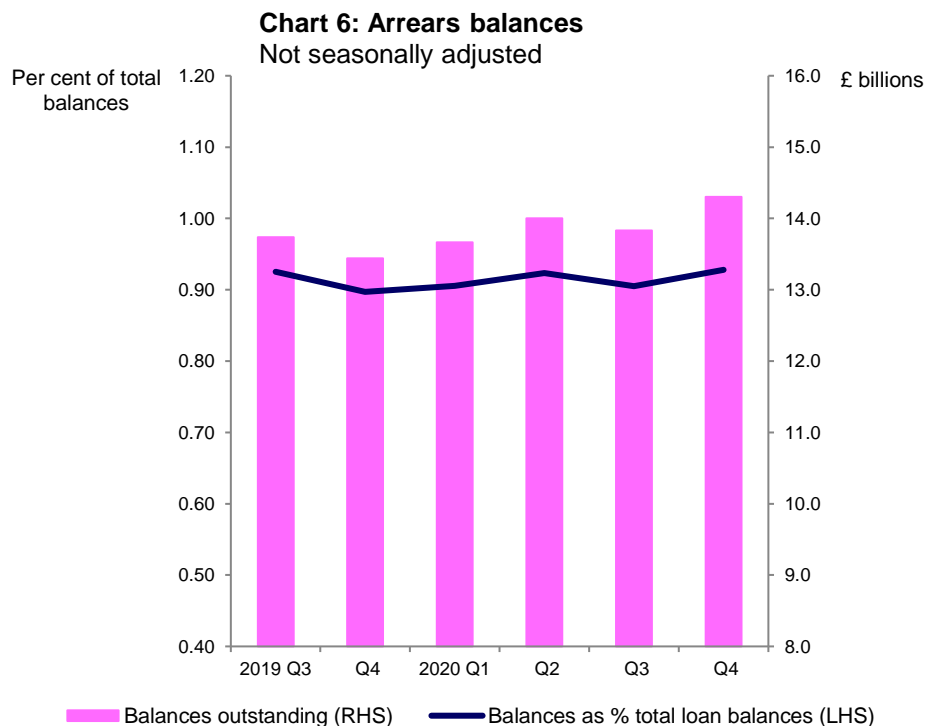


- The share of gross mortgage advances for buy-to-let purposes (covering house purchase, remortgage and further advance) was 11.2% in 2020 Q4, a fall of 1.2pp from 2019 Q4 (**Chart 5**). The share of advances to owner occupiers was 88.8%.<sup>13,14</sup>
- Of the 88.8% of advances for owner occupiers, the share for remortgages was 18.5%, a decrease of 10.7pp since 2019 Q4 and the lowest level since 2007. The share for house purchase was 63.9%, up 11.8pp from 2019 Q4. Further advances and other mortgages (including lifetime mortgages) accounted for 6.5% of gross advances combined.<sup>15,16,17</sup>
- Of the 63.9% of advances for house purchases by owner occupiers, lending to first-time buyers was 2.9pp higher than in 2019 Q4, at 24.3% of gross advances. The share advanced to home movers increased by 8.9pp on a year earlier, to 39.6%, the highest share for home movers since 2010 Q3.<sup>18,19</sup>

**Chart 5: Gross advances by purpose of loan**  
Not seasonally adjusted



- The value of outstanding balances with arrears (defined as the borrower failing to make contractual payments equivalent to at least 1.5% of the outstanding mortgage balance or where the property is in possession) increased by 3.4% on the quarter, to £14.3 billion (**Chart 6**).<sup>20</sup>
- The proportion of total loan balances with arrears increased on the quarter to from 0.91% to 0.93%.<sup>21</sup>



## Appendix

Below is a list detailing where the information in the statistics release can be found in the document named "[MLAR statistics: detailed tables \(XLSX\)](#)".

- <sup>1</sup> Table 1.11 sub table A row 9
- <sup>2</sup> Table 1.21 sub table C row 1
- <sup>3</sup> Table 1.21 sub table C row 3
- <sup>4</sup> Table 1.22 sub table C row 3 (less than 2% above)
- <sup>5</sup> Table 1.22 sub table C row 4 (2.00% to 2.99% above)
- <sup>6</sup> Table 1.22 sub table C row 5 + row 6 (3% or more above)
- <sup>7</sup> Table 1.31 sub table C row 19 + row 20
- <sup>8</sup> 100% - Table 1.31 sub table C row 17
- <sup>9</sup> Table 1.31 sub table C row 20
- <sup>10</sup> Table 1.31 sub table C row 5 + row 13
- <sup>11</sup> Table 1.31 sub table C row 5
- <sup>12</sup> Table 1.31 sub table C row 13
- <sup>13</sup> Table 1.33 sub table C row 4 (buy-to-let)
- <sup>14</sup> 100% - Table 1.33 sub table C row 4 (owner-occupation)
- <sup>15</sup> Table 1.33 sub table C row 6 (remortgage)
- <sup>16</sup> Table 1.33 sub table C row 2 + row 3 (house purchase owner occupation)
- <sup>17</sup> Table 1.33 sub table C row 5 + row 9 (further advance and other)
- <sup>18</sup> Table 1.33 sub table C row 2 (first-time buyers)
- <sup>19</sup> Table 1.33 sub table C row 3 (home movers)
- <sup>20</sup> Table 1.7 sub table C row 10
- <sup>21</sup> Table 1.7 sub table C row 11