



Intermediary Mortgage Lenders Association

## **IMLA member and intermediary surveys**

### **Intermediary Lending Outlook**

January 2014 research



# About IMLA

- IMLA is a mortgage lender trade association established in the 1980s to represent the interests of lenders involved in the generation of mortgage business via professional financial intermediaries
- IMLA has 20 members, which between them conduct more than 80% of the lending in the intermediary sector
- Members include banks, building societies and specialist lenders
- Business models include retail funded, wholesale funded, private capital and those that rely on the asset backed finance model
- IMLA has a democratically elected board and chairman and all members are entitled to attend regular meetings
- All members pay the same annual subscription and all have a single vote
- IMLA maintains a close alliance with the CML and works with a wide range of other trade associations, government departments and regulators.



# About the IMLA surveys

- IMLA regularly consults its members on mortgage market issues
- Research among members and intermediary partners is conducted to better inform IMLA policy positions
- Two surveys are undertaken every six months to reflect members' and intermediaries' views on housing and mortgage market developments, based on their direct experiences
- The latest surveys were conducted in January 2014, with 18 responses from members and over 300 responses to the wider intermediaries survey
- The results of the members survey are the aggregate IMLA view and do not necessarily reflect the views of any individual members.



# Reflections on 2013

- 90% of brokers feel market conditions are currently improved, compared with just 37% this time last year.
- Just 2% saw improvements as significant in January 2013, yet 36% now take this view.
- Lenders remain unanimous in their view that market conditions are currently improving, and the number marking the improvements as 'significant' has risen from 63% in July 2013 to 67%.

	Jan 2013	Jan 2014
Brokers unable to source a mortgage for a mainstream borrower	63%	26%
Brokers unable to source a mortgage for a near-prime borrower	67%	37%



# Market growth

- Although nearly all lenders (86%) believe the current growth of gross mortgage lending to be faster than expected, none suggest that it is reaching unhealthy levels.
- Brokers are less likely to be surprised about the pace (60%), although 18% express concern that it is unsustainable.
- 69% of brokers believe this is the start of a fuller recovery. While 43% of lenders agree, 50% remain unsure.



# House price growth

- Half (50%) of lenders believe the current rate of house price growth to be faster than expected, while 60% of brokers share this sentiment.
- A quarter (25%) of brokers deem this upward spike to be unhealthy and unsustainable – compared to 14% of lenders.
- Brokers (15%) are more than twice as likely to believe that the government will need to intervene this year in order to ‘cool the market’ – compared to just 7% of lenders.
- However, 74% of brokers and 71% of lenders see no cause for government intervention this year.



# Withdrawal of the FLS

- Nearly all lenders (85%) say the decision to withdraw the Funding for Lending Scheme (FLS) for mortgages in 2014 has not had any impact on their estimates for gross mortgage lending this year.
- Brokers are less convinced, with only 69% believing the scheme will be withdrawn quietly.



# Broker/lender relationships

- Lenders are largely positive about broker relationships in the second half of 2013:

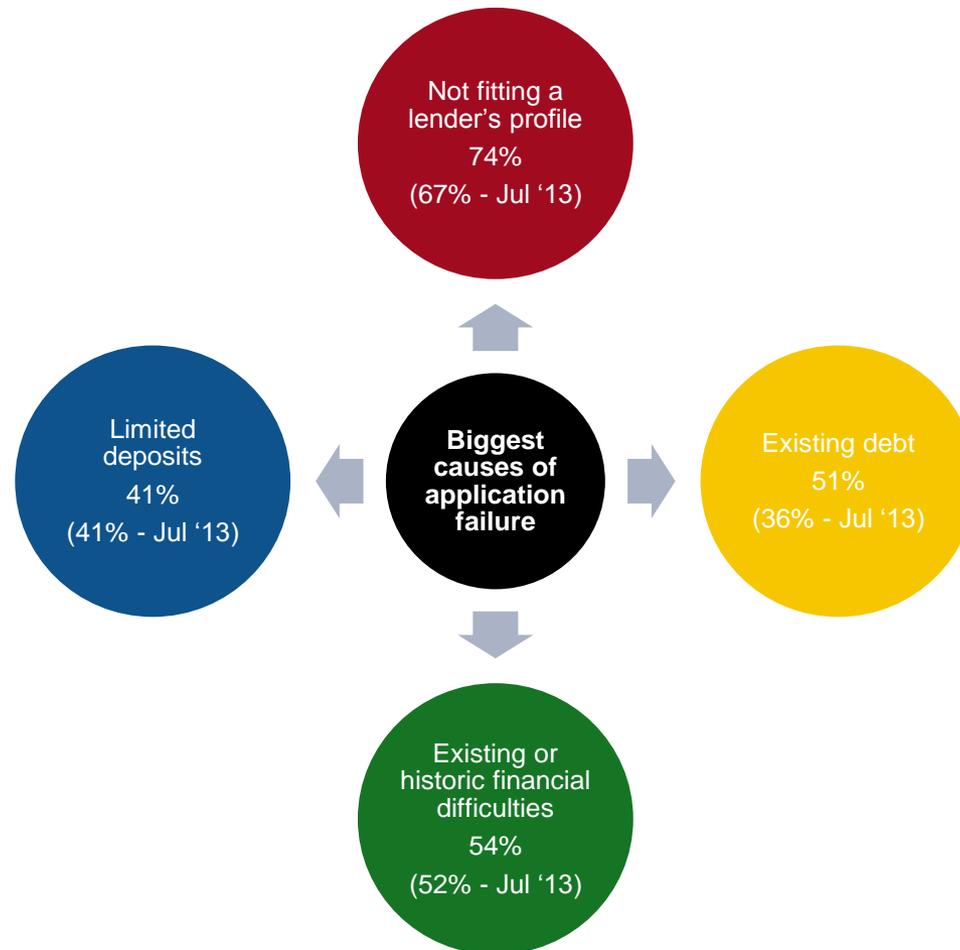
	Gone up	Stayed the same	Gone down
The number of brokers you work with	29%	64%	7%
The quality of introduced business	21%	79%	-

- Brokers feel product availability and application success improved, yet service from lenders has suffered:

	Improved	Stayed the same	Worsened
Quality of lenders' service to you	12%	50%	37%
Availability of products	59%	37%	4%
Successful applications	31%	57%	12%

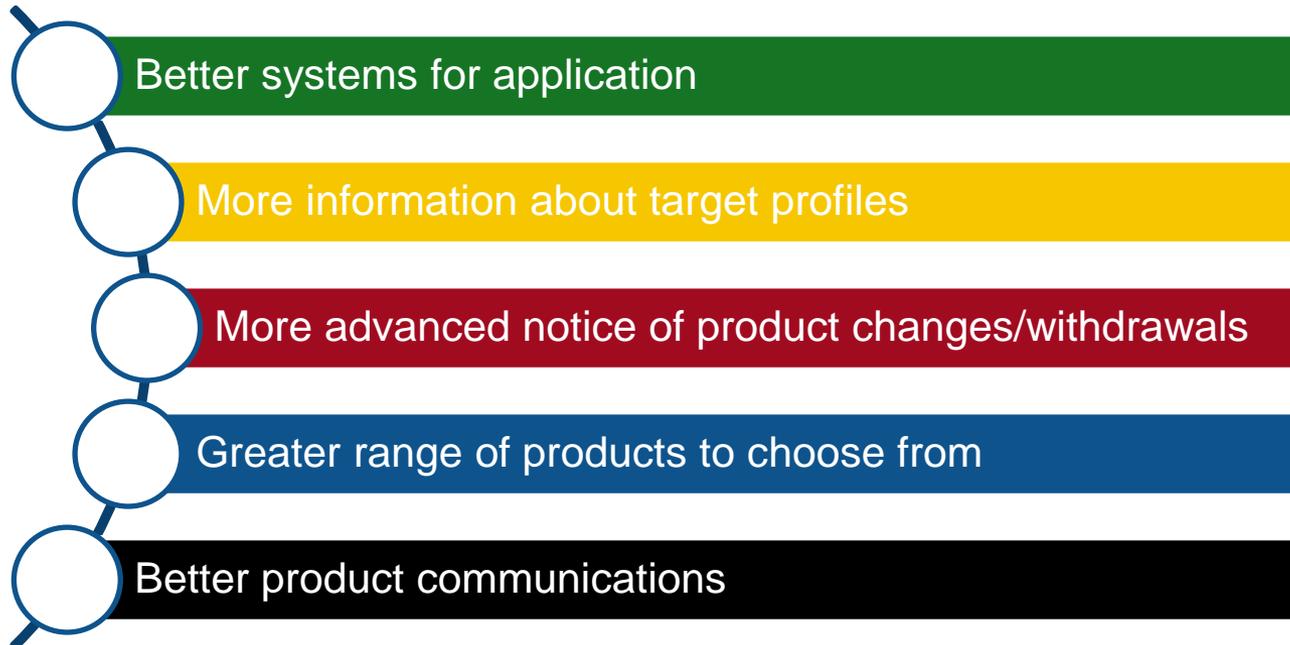


# Brokers' viewpoint



# Brokers' wish list

- What brokers would like to see lenders change:



# Feedback



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For copies of the press releases to accompany this IMLA research, the full survey findings or any suggestions about questions for future editions, please email:

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