The rebirth of the specialist mortgage lenders

September 2017

Executive summary

- The mortgage lending industry has always been dominated by building societies and banks. They have consistently provided over 80% of mortgage loans in the UK. However, since the mid-1980s, specialist lenders have been a force in the market, driving innovation and widening the range of customers who have access to a mortgage.

- After something of a turbulent past for the specialist lenders, they are on the rise again. Specialist lenders experienced a boom in the 1980s followed by a bust in the early 1990s, and then boom again until 2007, when lending by specialist lenders hit a peak of £63.2 billion[1], followed once again by bust in the financial crisis. In 2016 they lent a total of £16.7 billion against a low of £5.0 billion in 2009, an increase of 19% a year compared to 8% for gross mortgage lending as a whole.

- Today competition for the main banks and building societies comes not only from the specialist lenders but also the so-called challenger banks and with lifetime mortgages from insurance companies. However, the large banks and building societies still enjoy some competitive advantages such as lower capital requirements under the Basel internal ratings based (IRB) approach, access to Bank of England funding schemes and large, comparatively price insensitive customer deposit bases.

- Given the competitive advantages of the large incumbent banks and building societies, they remain able to dominate in the mainstream low risk lending market. New providers have thus focused on niche segments of the mortgage market. This includes buy-to-let and lifetime mortgages but the main focus of this report is specialist residential lending (lending to owner-occupiers that falls outside the criteria of mainstream lenders).

- The outlook for specialist lenders and challenger banks seems positive for a number of reasons. First, a rising share of mortgages are being sourced through intermediaries who can scan all lenders for the most appropriate loan for a customer based on price and suitability rather than brand. Second, the large lenders who focus primarily on the mainstream mortgage market have been content to leave most of the non-standard or non-prime market to others. And third, the range of borrowers who qualify for a mortgage on standard terms remains restricted, increasing the potential pool of borrowers who require a specialist residential loan.

- In 2007, specialist lenders originated at least £17 billion of loans outside of the buy-to-let market. We estimate that specialist residential lending, which is focused on borrowers who fall outside mainstream lenders' criteria, is now only £3 billion a year, of which only £1 billion is originated by specialist mortgage lenders other than subsidiaries of deposit taking groups.

[1] Bank of England data. Includes specialist subsidiaries of deposit takers.

- Lenders are continuously reviewing their underwriting criteria and it has been normal during periods like now when loan defaults are low for mainstream lenders to relax criteria, reducing pricing and widening the range of borrowers they will accept. However, mainstream lenders are now more constrained by regulation, governance and conduct risk concerns, suggesting that their responses may be more muted going forward. This suggests that independent specialist lenders should be able to sustain profitable businesses and continue to grow.

Definitions

This report focuses on the specialist lenders and the mortgage markets in which they operate. Here we provide a definition of key terms used in the paper:

Specialist lender: Mortgage lenders that are not licensed deposit takers. They are also sometimes referred to as non-bank lenders. In our discussion we do not include specialist lending subsidiaries of banks and building societies but the Bank of England data on specialist lenders does include these subsidiaries.

Challenger bank: Newer or smaller banks that compete with the main UK banking groups.

Specialist residential lending: Lending to owner-occupiers that falls outside mainstream criteria, for example, because the borrower is self-employed, has credit blemishes or because of the borrower's age. This lending can be undertaken by any type of lender.

Specialist buy-to-let: Buy-to-let lending that falls outside mainstream lenders' criteria, for example, lending on houses in multiple occupation or lending to limited companies. Again, this lending can be undertaken by any type of lender although it tends to be dominated by specialist lenders and challenger banks.

1. Introduction

Nearly a decade after the financial crisis led to a severe contraction in the non-bank sector, a new generation of mortgage lenders is emerging. And new sources of finance are backing these lenders, particularly private equity provided by investors that want exposure to UK mortgage assets.

Few of the previous generation of specialist lenders, which numbered nearly 30 before the financial crisis, have survived. One notable exception is Kensington which remains one of the leading specialist lenders. It and new lenders like Together, The Mortgage Lender and Vida and Magellan Homeloans are spearheading the revival. Foreign lenders are also entering the market with new specialist lending arms, in an echo of 1980s and 2000s. Two Australian lenders, Pepper Group and Bluestone Mortgages launched specialist lenders in the UK in 2015 and Indian bank Axis also now offers mortgages in the UK. Challenger banks such as Aldermore, OneSavings Bank and Precise are also targeting some of the same lending niches.

Collectively, buy-to-let has been by far the largest niche for these new competitors over recent years. But after a long period when it was out of favour, the specialist residential segment of lending to homeowners who do not meet the criteria for a standard prime mortgage, is now the focus of intensified competition. And the field of providers is set to become more crowded as buy-to-let lenders such as Paragon Mortgages and Foundation Home Loans react to the recent tax and regulatory

clampdown on buy-to-let landlords with plans to start providing specialist residential loans.

The UK is not the only country where specialist residential lenders are making a comeback. In the US, lenders targeting non-standard and non-prime borrowers are once again experiencing a revival. And in the Netherlands a new breed of non-bank lender funded from insurance companies and pension funds now provide 20% of mortgage loans, spurred on by existing lenders' lack of appetite for growth.

The outlook for the UK specialist residential sector looks positive given the continued conservatism in mainstream lenders' risk appetite and the considerable potential demand that appears to exist from borrowers with complex incomes or past credit blemishes, given the previous size of that market.

In 2007 specialist lenders lent £63 billion compared to total buy-to-let lending of £46 billion. At the moment, we estimate that the overwhelming majority of the £17 billion of lending by specialist lenders is in buy-to-let. The specialist residential lending market by contrast is tiny – we estimate it amounts to around £3 billion a year, comprised of roughly £1 billion by specialist lenders, £1 billion by challenger banks and £1 billion by smaller building societies that have targeted specialist residential utilizing their manual underwriting skills and established reputations.

The key questions for lenders targeting the specialist residential segment going forward are: how large might the sector become? How vulnerable are specialist lenders and challenger banks if mainstream mortgage providers start to target borrowers who currently fall outside their lending criteria? How vulnerable are non-banks to further regulatory changes? And finally, in the longer term can specialist lenders create a sustainable business model and avoid the fate that befell the first generation in the early 1990s and the second generation in 2007-9?

2. The previous rise and fall of the specialist mortgage lenders

Categorising mortgage lenders

The Bank of England provides data on gross mortgage lending in the UK broken down by the type of institution advancing the loan. The current breakdown in these figures has three categories of lender:

- Monetary financial institutions (MFIs – as termed by the Bank of England) – which comprise banks, building societies and mutual lenders, in other words deposit takers
- Specialist mortgage lenders
- Others

MFIs have always dominated the mortgage lending market in the UK. In no year has their share of gross mortgage lending fallen below 80% and in 2016 they accounted for 92% of total mortgage lending. MFI's share of lending has also been more stable than that of specialist or other lenders.

History of the specialist lenders

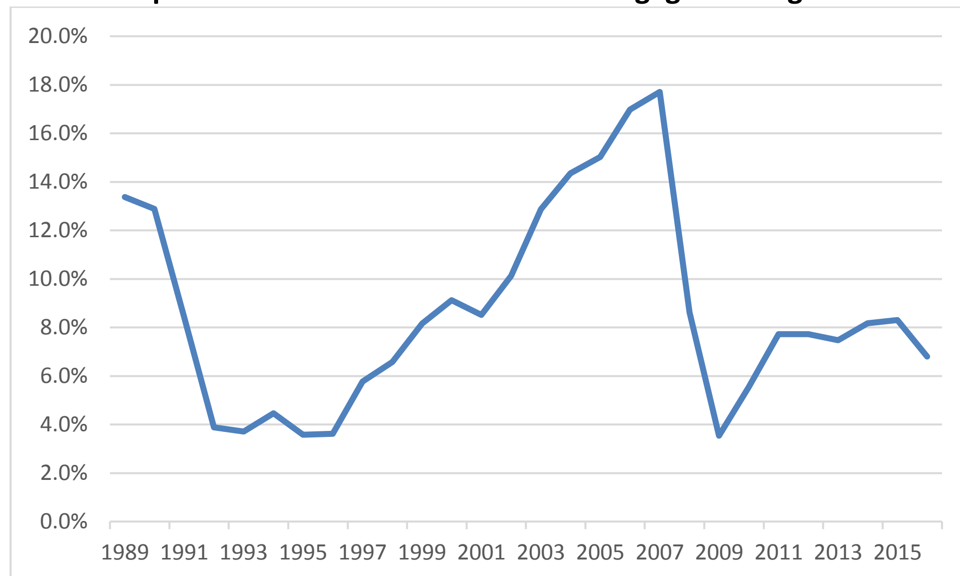
Chart 1 – Mortgage lending by specialist lenders (£m)

Source: Bank of England

In contrast, as Chart 1 illustrates, the activity of the specialist lenders (shown in the blue bars) has been highly cyclical. This can be seen more strikingly in Chart 2, which shows the percentage of total lending advanced by specialist lenders. By the late

1980s, these lenders had captured close to 14% of the market, but this slumped to less than 4% in the early 1990s recession.

Chart 2 – Specialist lenders' share of total mortgage lending



Source: Bank of England

The first generation of specialist lender, the so-called centralised lenders, entered the market in the mid-1980s in the wake of the financial deregulation enacted by the Thatcher government. These included brands like National Home Loans, The Mortgage Corporation, Mortgage Express and Household Mortgage Corporation as well as subsidiaries of foreign banks such as BNP Mortgages.

These lenders were characterized by having no branches and thus relying exclusively on introduced mortgage business, and by their funding which came from the wholesale markets as these lenders were not licensed to take customer deposits. While some used the nascent securitisation market to raise funds, others relied on funding lines provided by parent firms or on more traditional bank loans. This model emphasized the use of new technology, providing cost efficiency relative to branch based lending and potentially faster service.

The early 1990s recession hit the centralised lenders hard. They had generally focused on non-standard segments of the mortgage market, making them more vulnerable to high interest rates and the housing downturn. But they also found themselves squeezed by deposit takers who failed to fully pass on the rise in short term market interest rates to either depositors or borrowers. This left little margin between wholesale funding rates and typical mortgage rates. Moreover, the wholesale markets were able to observe the distress in the sector, limiting investors' appetite to keep funding these lenders.

As interest rates fell and the housing market and wider economy recovered during the second half of the 1990s, specialist lenders started to bloom again. A wave of new

entrants swelled the ranks of specialist lenders, many focusing on niches such as sub-prime and buy-to-let.

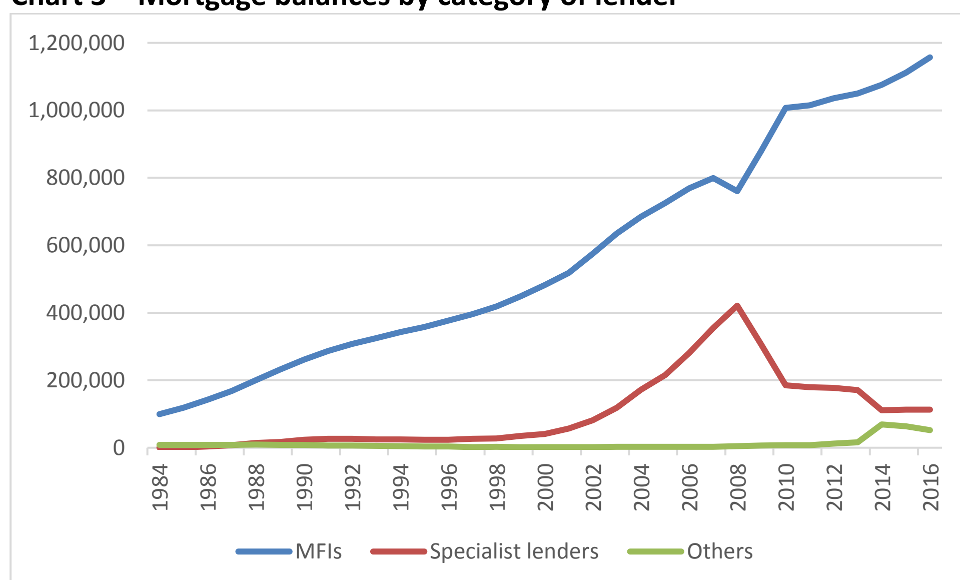
Names such as Kensington Mortgages and Paragon (previously National Home Loans) were launched. These were followed after the turn of the century by a new wave of sub-prime lenders set up or acquired by foreign banks including Morgan Stanley (Advantage Home Loans) and Deutsche Bank (DB Mortgages). By 2007 the specialists had captured nearly 18% of gross lending.

The term centralised lender may have disappeared by the 2000s but the business model was broadly the same. Lenders focused on niche markets such as sub-prime or buy-to-let and used intermediaries rather than branches to originate mortgage business. Funding was provided by the wholesale markets with most lenders funding through securitisation, although some had captive funding lines or used whole loan sales – similar to captive funding but with loans transferred to the funder rather than being kept on the balance sheet of the lender.

The fall of the specialist lenders

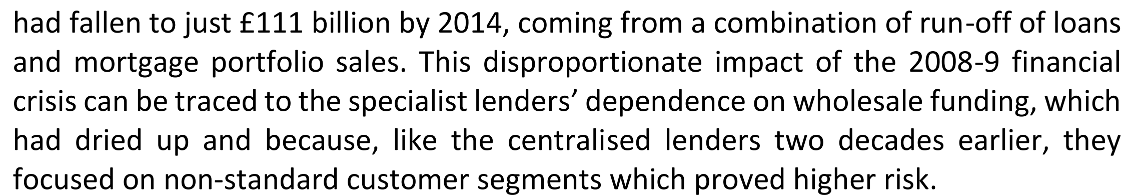
2007 proved in hindsight to have been the end of an era. The financial crisis severely restricted the level of mortgage lending, even by the MFIs, but the specialists were much harder hit. After their lending had gone from £11 billion in 2000 to £63 billion in 2007, by 2009, the figure was under £5 billion, the lowest total since 1997. They suffered not only from the closure of wholesale funding markets but also from not being eligible to access the Bank of England funding schemes that supported deposit takers through this difficult period.

Chart 3 – Mortgage balances by category of lender



Source: Bank of England

The fall in the stock of lending held by the specialists was equally severe (see Chart 3). At the peak in 2008, specialist lenders held over £420 billion of mortgage loans. This



had fallen to just £111 billion by 2014, coming from a combination of run-off of loans and mortgage portfolio sales. This disproportionate impact of the 2008-9 financial crisis can be traced to the specialist lenders' dependence on wholesale funding, which had dried up and because, like the centralised lenders two decades earlier, they focused on non-standard customer segments which proved higher risk.

Most of the lenders that had been set up to take advantage of booming demand for sub-prime loans were closed to new business and subsequently shut down, with the mortgage assets being sold off. Billions of pounds of loans left the sector through transfers to other financial institutions, while the rest of the decline occurred through the run-off of loan books as mortgage repayments exceeding very limited new advances.

However, two lenders did weather the crisis. Paragon mortgages had to cease new lending because of the closure of the securitisation market but because it had previously maintained high underwriting standards for its buy-to-let loans and had robust risk transference in its securitisation programme it remained profitable throughout the financial crisis and resumed volume lending in 2010. Kensington was the only lender focused on the specialist residential lending market to weather the crisis. Investec bought Kensington in 2007 before selling it on to private equity firms Blackstone and TPG in 2014. The parent company is now known as The Northview Group, which also owns the New Street lending brand.

3. New competition rises from the ruins

Since the financial crisis, despite a tough operating environment, a range of new lenders have entered the UK mortgage market, joining the few specialist lenders that survived. This time round there is a greater variety of business models and less dependence on a sub-prime customer base. These lenders are once again driving innovation and providing greater consumer choice.

Rebirth of the specialist lenders

Specialist lenders' market share of gross lending has rebounded since 2009 from 3.5% to 6.8% in 2016, taking lending up to £17 billion, more than a threefold increase, or 19% per annum. However, the post financial crisis era has been a difficult environment for lenders of all stripes. There certainly has not been a repeat of the heady recovery of the late 1990s. Wholesale funding markets have remained fragile while niche, non-standard lending segments have been viewed with suspicion after a crisis that originated in the US sub-prime mortgage market.

On the other hand, the large lenders reduced their risk appetite in the wake of the financial crisis, encouraged by tighter regulation, leaving niche market segments underserved. This has provided an opportunity for specialist lenders to rebuild their presence in the market and to maintain substantially higher margins, as the differential between prime and niche mortgage rates has been substantially higher in this new environment.

Challenger banks

Alongside competition from a new generation of specialist lender are the so-called 'challenger banks'. They are within the MFIs definition and as such enjoy some of the advantages of other deposit takers, such as the ability to participate in Bank of England schemes such as the Term Funding Scheme (TFS) launched in August 2016 and access to customer deposits which can be both cheaper and more stable than wholesale funding.

However, the challenger banks are quite diverse. The term covers mid-sized lenders such as Virgin Money and TSB, as well as new entrants such as Shawbrook, Aldermore, OneSavings Bank (which took over Kent Reliance Building Society) and Atom. The new entrants have come into the market because founders and the investors backing them believed that the incumbent players have failed to meet demand in profitable niches.

Government has voiced support for challenger banks and sought to enhance competition. The Competition and Markets Authority undertook an investigation into retail banking, and in February 2017 the Bank of England announced that it would relax so-called Pillar 2A capital requirements for smaller lenders on the standardised approach. However, the challenger banks still face a disadvantage in capital requirements relative to the large lenders on the IRB approach and the government

has not embraced more radical suggestions such as abolishing free current account banking, that some challengers thought necessary to spur real competition.

4. Mortgage customers targeted by new competition

One aspect of the competitive dynamic of the mortgage market that has not changed since the 1980s is the potential pricing advantage held by the larger banks and building societies as a result of their economies of scale and cheap deposit funding bases. This has always made it difficult for other competitors to maintain a significant presence in the mainstream mortgage market – lending to prime owner-occupiers on modest loan-to-value (LTV) ratios. Indeed, Bank of England funding support mechanisms for deposit takers have reinforced this advantage in recent years.

But niche markets outside of the mainstream have been fertile territory for the new capital that has been deployed in the industry, as the largest lenders maintain their primary focus on the mainstream market. Five niche mortgage markets have become the mainstay of non-bank and other non-traditional mortgage lenders:

- **Lifetime mortgages.** This segment of the market has come to be dominated by insurance companies such as Aviva and Legal & General. An advantageous regulatory capital regime for insurance companies relative to that available to banks is the main reason why they have become such prominent providers in this niche.

- **Buy-to-let.** With £41 billion of gross lending in 2016 (16.5% of total mortgage lending), buy-to-let represents a substantial marketplace and the mainstream lenders have a significance presence, lending on more straightforward rental propositions (e.g. a two bedroom property let on a single assured shorthold tenancy). But specialist buy-to-let, covering niches like lending on houses in multiple occupation and houses let to benefit recipients and lending to limited companies, has been largely the preserve of specialist lenders and challenger banks.

- **Specialist residential.** There are a range of owner-occupied customers who fall outside the traditional definition of a prime borrower and many of these customer groups are underserved by the mainstream lenders despite presenting an acceptable credit risk. Such non-standard borrowers include the self-employed (particularly newly self-employed), those with complex incomes, individuals with credit blemishes and older borrowers.

- **Bridging loans and second charges.** The bridging loan and second charge markets have been in existence for decades, serving specific customer needs. Both are higher risk segments that have attracted specialist lenders, some focused exclusively on these markets giving them in depth knowledge of these specialist markets.

Although no statistical breakdown is available of the £17 billion of gross lending by specialists in 2016 by these categories, we estimate that the overwhelming majority is in the buy-to-let segment. The Financial Conduct Authority (FCA) mortgage lenders

and administrators return (MLAR) does provide a breakdown of lending by certain niches though not by type of lender (see Table 1). This shows that in 2015 lifetime mortgage advances totalled £1.7 billion and consumer buy-to-let £130 million (in addition to £41 billion of unregulated buy-to-let lending).

Further advances totalled £5.1 billion but this market is dominated by mainstream lenders. We estimate that most of the £5.1 billion of other lending is second charge. There is no breakdown for specialist residential lending but we estimate that it totals some £3 billion, divided roughly equally between specialist lenders, building societies and challenger banks.

Table 1 – Niche regulated mortgage lending in 2015 (£ million)

Buy to let	130
Further advance	5,125
Lifetime mortgage	1,664
Other	5,116
Total of above	**12,035**

Source: Bank of England and FCA

Another way to gauge the level of specialist lending is with reference to the interest rate, as mortgage rates are higher than with conventional lending. Table 2 shows that in 2015 £8.8 billion of new lending was at a rate of 4% over Bank Rate or more, a rate well above that on prime conventional lending. However, there is no breakdown of these numbers by niche, so they cannot be used to estimate the level of specialist residential lending.

Table 2 – Regulated mortgage lending in 2015 spread over Bank Rate (£ million)

Less than 2% above	96,270
2 < 3 % above	55,516
3 < 4 % above	21,888
4% or more above	8,796
Total of above	**182,470**

Source: Bank of England and FCA

For newer lenders and their financial backers buy-to-let has been the most attractive market since the financial crisis. With constraints on mortgage availability, fewer young people have been buying, pushing more into the private rented sector. And buy-to-let has maintained its reputation as a safe market to lend to when sub-prime has been out of favour. The risk reward trade-off has appeared to be positive in specialist buy-to-let where most lending is at modest LTVs to experienced landlords.

However, the tax and regulatory changes that have impact buy-to-let since 2015 have pushed lending volumes down, leading specialist lenders with growth ambitions to question whether buy-to-let can deliver the desired lending volumes. For example, Paragon Mortgages and Foundation Home Loans have reacted to the recent tax and

regulatory clampdown on buy-to-let landlords and lenders with plans to start providing specialist residential loans.

5. Key issues facing the specialist lenders

Regulation

Specialist or non-bank lenders are not subject to the same level of prudential regulation as deposit takers although they are broadly subject to the same conduct of business rules. And while deposit takers are dual regulated by the Prudential Regulatory Authority - PRA (for prudential purposes) and FCA (for conduct of business purposes), specialist lenders are only regulated by the FCA.

Since 2014 specialist lenders or non-banks who engage in regulated mortgage business have been subject to minimum capital requirements of 8% of risk weighted assets, in a simplified read across from the Basel standardised regime. Previously they had faced only a 1% capital requirement. Only specialist lenders like Fleet Mortgages that conduct unregulated buy-to-let mortgage business alone are exempt from these requirements, as they are completely unregulated.

Challenger banks face higher capital requirements than larger banks and building societies as they are typically on the standardised approach of the Basel regime, which imposes higher requirements than the IRB approach that the larger lenders are subject to. In addition, under the so-called Pillar 2A requirements they face add-ons of capital individual banks must hold above sector wide minimums. In February 2017, the Bank of England announced it would revise Pillar 2A capital in recognition of the disadvantage this had conferred on the challenger banks. However, challenger banks and specialist lenders clearly do face a disadvantage to large banks and building societies by having to hold more capital.

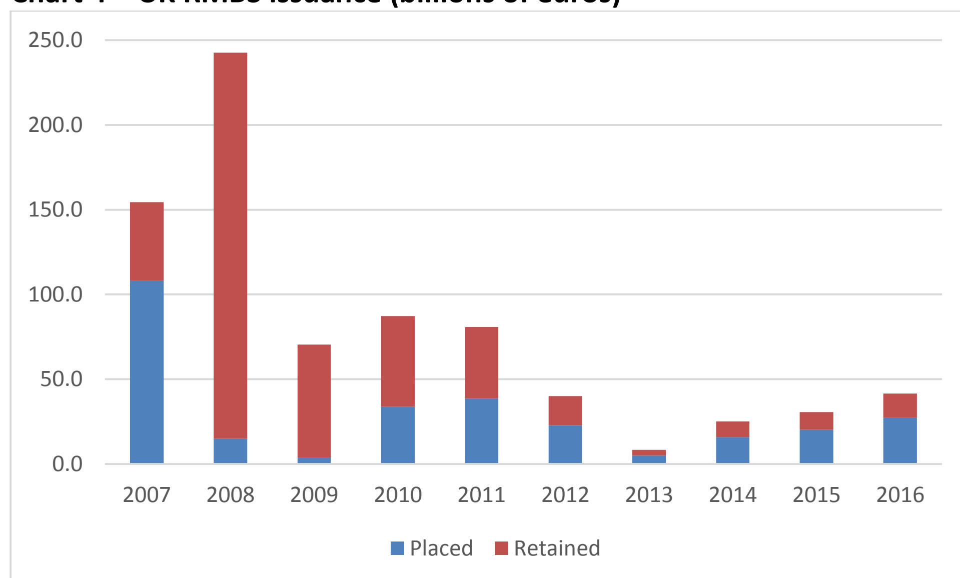
Non-banks or specialist lenders are subject to macro-prudential regulation, where the Bank of England Financial Policy Committee (FPC) has the power to instruct the PRA and FCA to set LTV and loan-to-income limits on lending. Non-banks have also been affected by the EU securitisation retention requirements that require issuers to retain 5% of any securitisation, although with fewer lenders securitising this is less of an issue than it would have been. One regulatory requirement that does not apply to specialist lenders is the recent PRA buy-to-let underwriting requirements. These rules affect only those lenders that are regulated by the PRA so they do not apply to specialist lenders as well as exempting smaller lenders, although the FCA could decide to impose them if felt desirable.

Further regulatory changes remain a possibility. The Basel Committee has been consulting on changes to both the IRB and standardised approaches, although earlier concerns that lenders on the standardised approach would face a large rise in capital requirements for buy-to-let lending seem to have receded. Given the sweeping regulatory changes that all lenders including specialists have face in recent years, it can only be hoped that regulators will now accept that a period of stability, where new rules are allowed to bed in, will be permitted. Certainly, specialist lenders have seen a dramatic stiffening of regulation already.

Funding

Prior to the financial crisis, the majority of specialist lenders relied on the securitisation market to fund their mortgage lending, alongside banks which used securitisation as one of several major funding tools. As Chart 4 shows, the use of securitisation has diminished greatly since 2007, both for placed issuance (where the bonds are sold to investors) and retained bonds (where the lender keeps the securities on its own balance sheet).

Chart 4 – UK RMBS issuance (billions of euros)



Source: AFME

Since 2013 there has been a recovery in both placed and retained issuance and spreads have tightened despite events such as the Brexit vote. However, residential mortgage backed securities (RMBS) issuance is still sporadic, mostly driven by the securitisation of existing loans rather than new lending. For example, the largest securitisation in 2016 was the £6.2 billion issue by Cerberus Capital Management of the ex-Northern Rock loan portfolio bought from the UK government.

The new generation of specialist lenders have eschewed securitisation as it lacks the stability and price to make it a dependable source of funding. Instead they have mostly established flow agreements where they sell whole loans. For example, Fleet Mortgages has an agreement to sell loans to the asset manager BlackRock, which it in turn sells on to investment vehicles funded by its clients seeking direct exposure to UK mortgage assets.

However, in some cases the purchasers of these whole loans intend to securitise them – for example TwentyFour Asset Management has an agreement to buy loans originated by The Mortgage Lender and intends to securitise them. This follows TwentyFour Asset Management's successful 2016 securitisation of buy-to-let mortgages originated by Coventry Building Society.

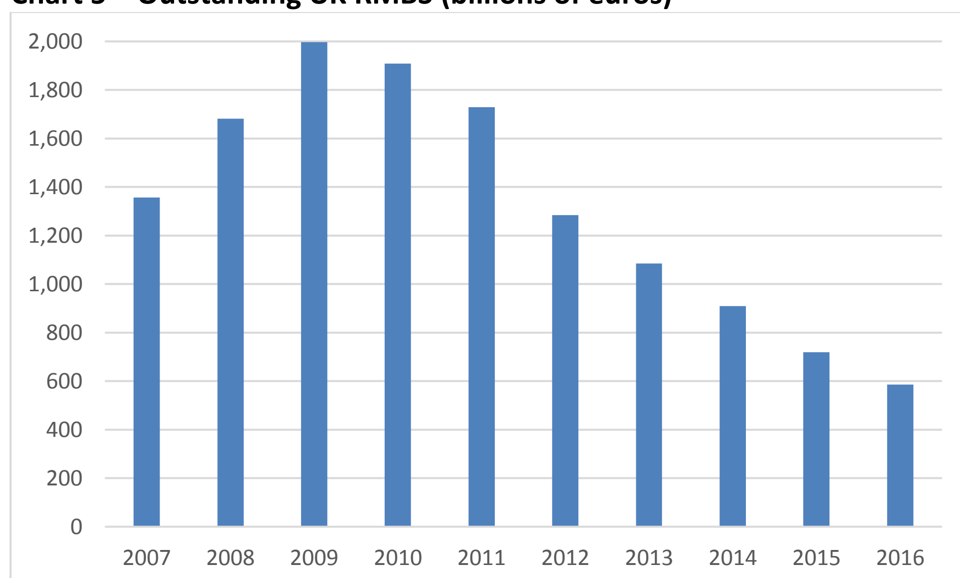
The Northview Group (owner of Kensington and New Street) is the most active issuer by number of deals in the UK RMBS market having completed 11 securitisations since 2015 totalling close to £6 billion of residential loans publicly placed in the market (6 of these transactions were funded by Kensington and New Street new originations totalling about £2.3bn). Kensington is the only specialist lender that has already accessed the market twice in 2017 for funding its new originations.

The banks, including the challenger banks, have a limited appetite to securitise as they have access both to cheaper customer deposits and to various Bank of England funding schemes. The latest of these is the TFS, introduced in August 2016, following the vote to leave the EU. The TFS has a capacity of £100 billion, providing funding for deposit takers at interest rates close to Bank Rate, with the most favourable rates available to lenders that increase their lending to the real economy.

Challenger banks and building societies have participated in the TFS while some specialist lenders, including the Paragon Group and Charter Court Financial Services (parent of Precise Mortgages) have obtained banking licences to facilitate diversification from wholesale funding and allow access to Bank of England funding schemes.

Pricing in the RMBS market has benefitted indirectly from the TFS as the scheme has reduce the supply of new issuance. However, this effect is not sufficiently strong to have made securitisation an attractive funding channel for most lenders and despite the rise in issuance, the stock of outstanding UK RMBS continues to decline (see Chart 5). Indeed, the planned termination of new borrowing under the TFS in February 2018 might encourage more RMBS issuance by limiting the range of cheaper alternatives.

Chart 5 – Outstanding UK RMBS (billions of euros)



Source: AFME

6. Outlook

The outlook for the specialist lenders is positive. First, a rising share of mortgages is being sourced through intermediaries who can scan all lenders for the most appropriate loan for a customer based on price or suitability rather than brand. This gives even the newest mortgage brands a chance to compete.

Additionally, specialist residential lending levels are way below those of the pre-financial crisis era, suggesting that there is still plenty of unmet demand. At the same time, key cohorts that would usually be expected to need specialist residential loans have been increasing. The self-employed have increased to 4.8 million in the UK, 15% of those in work, against 3.8 million in 2008, or 13%. Staff on zero hours contracts rose to 910,000 in the UK in the final quarter of 2016 compared to less than 200,000 in the same period of 2011. And there were a record 912,000 county court judgements issued against consumers in England and Wales in 2016, a rise of almost a quarter on 2015.

At the same time the mainstream lenders have shown a muted appetite to win business that falls outside their automated underwriting parameters, which are designed to accept conventional borrowers. With these lenders constrained by regulation, governance and conduct risk issues, their appetite for non-standard lending is likely to remain curtailed relative to previous cycles. This suggests that margins should remain substantially higher in the specialist residential market, providing the necessary returns to justify the higher risks.

How large might the specialist residential sector become? In 2007 specialist lenders lent £63 billion. In that year gross buy-to-let lending was £46 billion. So specialist lenders' residential lending must have been at least £17 billion in total. In 2016 the equivalent figures were £17 billion and £41 billion and we estimate that the overwhelming majority of the £17 billion is in buy-to-let. We further estimate that total specialist residential lending by all types of lender amounted to some £3 billion last year. This points to very high potential growth in the market even if specialist residential lending does not regain its previous highs.

And ironically, although higher regulatory capital requirements have disadvantaged specialist lenders relative to the large banks and building societies, they have also no doubt added stability to the sector. So the specialist lenders will enter any future economic downturn with more resources to weather the storm and maintain their businesses longer term.

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About IMLA

The Intermediary Mortgage Lenders Association (IMLA) is the trade association that represents mortgage lenders who lend to UK consumers and businesses via the broker channel. Its membership unites 34 banks, building societies and specialist lenders responsible for over £180bn of annual lending across all distribution channels in 2015, including 16 of the top 20 UK mortgage lenders.

IMLA provides a unique, democratic forum where intermediary lenders can work together with industry, regulators and government on initiatives to support a stable and inclusive mortgage market. Originally founded in 1988, IMLA has close working relationships with key stakeholders including the Association of Mortgage Intermediaries (AMI), Council of Mortgage Lenders (CML) and Financial Conduct Authority (FCA).

Visit www.imla.org.uk to view the full list of IMLA members and associate members and learn more about IMLA's work.

About the author

Rob Thomas is a Director of Research at Instinctif Partners. He previously served as an economist at the Bank of England (1989-1994), a high profile analyst at the investment bank UBS (1994-2001) and as senior policy adviser to the Council of Mortgage Lenders (2005-12). He was also the project originator and manager at the European Mortgage Finance Agency project (2001-05) and created the blueprint for the government's NewBuy mortgage scheme.