



What is the new ‘normal’?

Mortgage lending in 2014-15 and the march back to a sustainable market

An annual review of the outlook for the UK mortgage market

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Preface

This is the first in a series of annual reviews from the Intermediary Mortgage Lenders Association (IMLA) of the outlook for the UK mortgage market. IMLA members are drawn from the senior ranks of mainstream banks, building societies, ‘challenger’ banks and specialist lenders who market their products through the broker channel.

IMLA members and Peter Williams, IMLA’s Executive Director, have contributed to this review but it should be stressed it does not necessarily reflect the views of each individual member organisation.

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1. Executive summary

- The UK mortgage market is finally staging a recovery following the deepest downturn since 1945. Improving economic conditions over the course of 2013 aided the rebound but government measures to stimulate lending also played a significant role in improving mortgage market conditions and making consumer sentiment more positive.
- IMLA expects UK house prices on average in 2014 to be some 6.5% above their 2013 level and housing transactions across England and Wales to reach 1.15m, 20% above 2013's figure. As a result of this strong housing recovery we forecast that gross mortgage lending will rise from £177bn in 2013 to around £215bn in 2014 and £240bn in 2015, although the 2015 forecast is still one third below the peak of gross lending recorded in 2007. We expect bank rate to remain unchanged at 0.5% throughout 2014 and 2015.
- We expect net mortgage lending to increase from an estimated £11 billion in 2013 to £20bn this year and £30bn in 2015. These large percentage gains need to be placed in context – even in 2015 this suggests that the stock of mortgage balances outstanding will rise by only 2.3%, less than the expected rise in household incomes.
- Talk of a house price bubble has been greatly exaggerated. Nationally, house prices were still some 6% below their 2007 level in real terms last year based on Office for National Statistics (ONS) figures. The mortgage market recovery owes a lot to highly supportive monetary policy and to measures to stimulate lending such as the Funding for Lending Scheme (FLS) and Help to Buy. It is therefore hard to know what an unassisted housing market might look like. However, the shortfall in the supply of new homes relative to demand is a growing source of concern given its potential to feed further house price growth.
- The balance of funding in the mortgage market has shifted back to the traditional model in which retail deposits dominate. The so-called funding gap that opened up when new sources of wholesale funding dried up from 2007 and retail deposits were insufficient to fill the gap has been eliminated. In 2007 the stock of mortgage loans exceeded retail deposits by £160bn. Despite low interest rates, by the end of 2012 retail deposit balances exceeded mortgage balances for the first time since 2001, as households increased savings.
- The new regulatory regime has yet to be properly tested 'in action'. However, the triple-lock of new regulation – higher capital adequacy requirements, the Mortgage Market Review (MMR) and macro-prudential regulation – points to a more subdued mortgage market going forward and potentially a narrower one in terms of the range of customers served.

2. Forecast lending in 2014/15

Six years after the start of the most severe downturn in the mortgage market since 1945, 2013 finally witnessed clear signs that a recovery is underway. This may be starting to look like a normal cyclical recovery but in many ways the current environment is far from normal.

Following the dislocation of the financial system, this sector has been used as the conduit for an array of experimental policy measures from quantitative easing (QE) to the FLS and Help to Buy. At the same time the regulatory system for lenders and the mortgage market itself has been comprehensively overhauled, with effects which are as yet untested.

Table 1: Mortgage market forecast (£m)

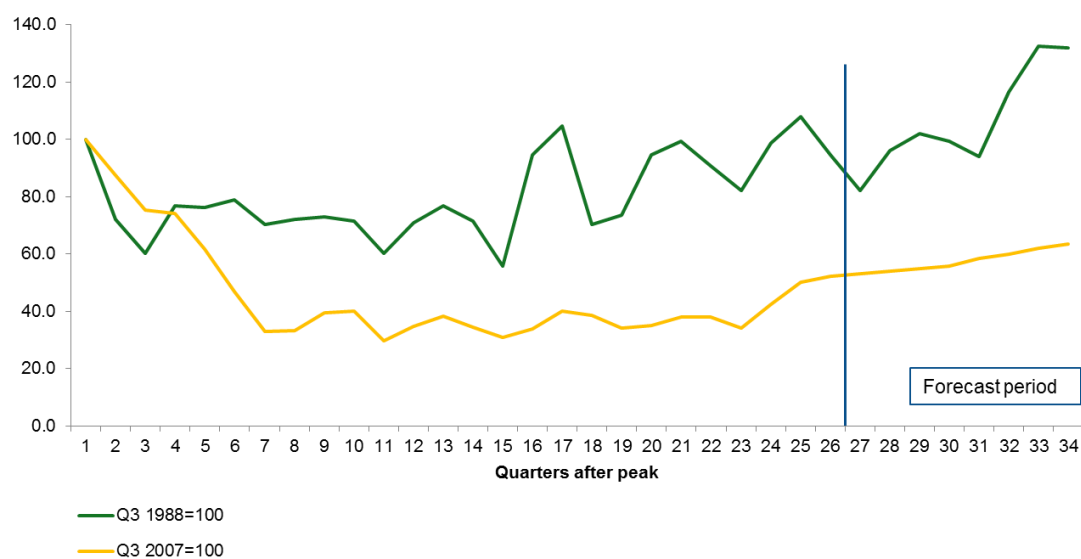
	Actual/forecast variables				% change on previous year		
	2012	2013*	2014f	2015f	2013	2014f	2015f
Gross lending for house purchase	81,600	94,000	118,000	132,000	15.2%	25.5%	11.9%
Remortgaging	41,100	45,000	52,000	58,000	9.5%	15.6%	11.5%
Other lending	20,400	37,000	45,000	50,000	81.4%	21.6%	11.1%
Total gross lending	143,100	176,000	215,000	240,000	23.0%	22.2%	11.6%
Net lending	7,925	11,000	20,000	30,000	38.8%	81.8%	50.0%
Net lending as % of outstanding balances	0.6%	0.9%	1.6%	2.3%			

* Estimates for 2013 based on the Council of Mortgage Lenders (CML) Regulated Mortgage Survey data up to Nov 2013

Within the context of this background we present our forecast for the UK mortgage market in 2014 and 2015. Table 1 shows our projections for the main mortgage market variables over this period. The numbers shown in Table 1 may look surprisingly strong but this reflects the low base from which these variables are recovering and the significant momentum already evident in the market going into 2014. Our 2015 forecasts of £240bn of gross and £30bn of net lending compare to pre-recession peaks of £363bn and £108bn respectively.

Chart 1 illustrates both how severe the latest downturn in the mortgage market has been relative to the previous one starting at the end of 1988 and how comparatively subdued the recovery we are forecasting is.

Chart 1: Gross mortgage lending – latest and previous downturns compared



Few would disagree that government interventions to support the market made a strong positive contribution to sentiment and activity in 2013. It is hard to know whether the market could have managed a recovery at all last year without these interventions, but it is clear that any rebound that might have occurred in their absence would have been significantly weaker. However, there are several factors that suggest that a sustainable recovery is now possible going forward:

- There is significant pent-up demand from younger households who would normally have been expected to enter owner-occupation over the last few years. Given the role of first time buyers in driving market activity more broadly, this points to the potential for a strong upturn in activity. The Help to Buy schemes may have provided the impetus to encourage more potential first time buyers to take the plunge but as mortgage market conditions gradually improve (with lenders already offering 95% loan to value (LTV) loans outside of any government scheme), it can be hoped that higher first time buyer demand will be maintained.
- Households have improved their balance sheets by deleveraging debt in aggregate since 2008. Over the five years to the end of 2013 mortgage debt grew by less than 4% and households' overall debt to income ratio declined from just above 160% to 140%.
- The funding constraints which held lenders back in the period following the financial crisis have greatly eased. After the wholesale funding markets froze in summer 2007, lenders facing maturing wholesale funding had to take an extremely cautious approach to new lending. By 2012 the situation had been transformed with total retail deposits exceeding outstanding mortgage balances for the first time since 2001. This showed the extent to which lenders had eliminated their dependence on wholesale funding, but conditions in the

wholesale markets have also greatly improved, so lenders have the option of raising new wholesale money rather than the need to do so. For example in the mortgage-backed securities market, spreads continued to track down in 2013 although issuance levels were muted – reflecting in large measure the lack of need to issue on the part of lenders with access to the FLS.


- Low wage inflation has been interpreted by many as a negative but it does point to interest rates remaining at historically low levels for the time being. Under the current policy of forward guidance, the Bank of England has committed itself not to raise bank rate until unemployment falls below 7% subject to certain conditions (the so called ‘knockouts’). This is not meant to signal that rates will be raised if unemployment does fall below 7% however. Indeed the unemployment rate is only relevant because of its influence on wage rates. If wage growth remains subdued there will be little pressure on the Bank to raise rates. As one of the most interest rate sensitive sectors of the economy, housing could be a net beneficiary of this effect, even if rates rose modestly.

Against this the mortgage market faces challenges which are likely to slow the pace of recovery during 2014/15:

- New housing supply is woefully inadequate to meet rising demand with the risk that demand will stoke excessive house price inflation. This could thwart the ambitions of many delayed first time buyers.
- High levels of household indebtedness. Although debt levels have stabilised we entered the last recession with record levels of debt, most of it in the form of mortgages. This has left the market more vulnerable to unexpected shocks that might cause interest rates to rise and will slow the market as and when interest rates ‘normalise’.
- The unwinding of various extraordinary measures taken to support the financial system and lending to households. The recent announcement that the FLS would no longer be available on mortgage lending may not by itself have much effect. However, the expiring of both Help to Buy schemes by the end of 2016 and ultimately the unwinding of QE will bring with them risks that if not successfully managed could disrupt the market at points in the future.

3. Lending for house purchase - the importance of first time buyers

In recent years lending to first time buyers has consistently totalled around one third of all lending for house purchase. The vital role that first time buyer demand plays in driving broader housing market activity is generally accepted by market analysts but its importance was starkly illustrated by events as the financial crisis hit in 2008.



Funding pressures forced lenders to shrink new lending and withdraw from riskier segments of the market including the high LTV lending on which most first time buyers depend. Even though fewer moving owner-occupiers are dependent on high LTV loans, a 47% reduction in the number of first time buyers contributed to an almost identical fall in overall house purchase loans and a 45% slide in housing transactions that year.

However, even prior to the financial crisis the number of first time buyers had started to decline, reflecting increased affordability constraints as house prices rose relative to incomes. This created a problem of lower liquidity from 2005 for the housing market as a whole as sellers further up the market failed to form the chains needed to move.

After this long period of low first time buyer demand, the outlook for this segment of demand is one of the most compelling reasons for optimism on the wider market going forward. Demographic trends show a rising number of individuals in the key first time buying age bracket: the number of 25-34 year olds has risen from 7.9m in 2007 to 9.0m this year. This just adds to the unprecedented level of potential pent up demand as the number of first time buyers has fallen far short of the level to be expected given the demographic background since the mid 2000s.

But for higher first time buyer demand to be realised there needs to be the availability both of high LTV mortgage loans on which these buyers typically depend and a stock of properties from final sellers and house builders. Mortgage availability had been gradually improving even prior to 2013 but the announcement of Help to Buy in last year's budget seems to have generated something of a sea change, convincing more young households that they can indeed secure a loan.

Turning to the second condition, that an adequate supply of property exists, there are grounds for cautious optimism here as well. Many last time sellers looking to leave owner occupation as they age will have been frustrated by the illiquid housing market of the past few years and will want to take this opportunity to sell. Builders are also expanding output to meet rising demand. But if the surge in first time buyer demand is too strong it could surpass builders' ability to keep up and even outpace the supply of properties in the second hand market. Under these circumstances property prices could be squeezed up quite fast to the detriment of first time buyers.

In this context, government schemes to encourage lenders back into the high LTV lending segment can be seen as important for the health of the whole market as getting first time buyers back into the market is a necessary condition for a broader recovery. However, such schemes carry with them risks if they over stimulate demand. This is a particular concern when it comes to schemes that support demand in the second hand market as the Help to Buy guarantee scheme does, the impact of which will only now start to be felt.

4. The co-existence of buy-to-let

In the mid 2000s there was an inverse relationship between buy-to-let and first time buyer activity. Between 2002 and 2007 the number of mortgages advanced to first time buyers fell from 532,000 to 360,000 while buy-to-let lending for house purchase increased from 85,000 to 183,000. However, both sectors suffered in the wake of the financial crisis, with buy-to-let experiencing a much more severe contraction. The number of new buy-to-let loans for house purchase fell 73% between 2007 and 2010, eclipsing the 45% decline in first time buyer lending.

This precipitous decline in buy-to-let lending reflected the extent to which mortgage lenders withdraw credit supply to the sector much more than it reflected landlords scaling back their ambitions. This in turn reflected a series of factors: a number of lenders that had focused heavily on buy-to-let ceased lending (most notably Mortgage Express, part of Bradford & Bingley); a perception on the part of some lenders that buy-to-let was higher risk; and a concern that the regulator shared these views; and a retreat into core owner-occupied lending by firms that had less money to lend in aggregate.

But while buy-to-let lending has been much lower since the financial crisis the private rented sector appears to have gone from strength to strength. Tenant demand has been buoyed by the decision of many households to delay purchasing their own home and demographics have also been strongly supportive. Reflecting the strength of tenant demand, between 2007 and 2011, the number of properties in the private rented sector rose by 1,120,000 according the Department for Communities and Local Government (DCLG) even though the number of buy-to-let mortgages rose only 360,000. The bulk of the difference is likely to reflect either landlords who made cash purchases or owner-occupiers renting out their homes for extra income.

With both buy-to-let and first time buyer mortgage activity recovering from such a low base induced by a lack of available funds, it is unsurprising that as credit became more freely available in 2013 both sectors saw improved lending volumes. Indeed, there are significant grounds for optimism going forward for buy-to-let as well as the first time buyer segment. Demographic trends support higher tenant demand even with a rise in first time buyer numbers. If many landlords have expanded to meet demand using cash because of the difficulty raising buy-to-let finance over the past five years, then easier credit conditions should see landlords shifting back towards a more typical mix of debt and equity financing.

The current environment may also be said to favour landlords to some extent. Even after their recent easing, deposit requirements are higher than in the pre-recession period whilst interest rates remain exceptionally low. This is a combination which tends to favour buy-to-let investors over first time buyers as landlords are more likely to have the capital to put down a sizeable deposit and are likely to be more

sensitive to expected interest rates when making a purchase decision. For them, interest rates will dictate the level of net cash flow and with low borrowing costs even modest property yields can look attractive.

However, policy measures have favoured first time buyers with Help to Buy being just the latest, although the most high profile, of a series of schemes aimed primarily at this group. This illustrates politicians' preferences for measures to support owner occupation – but given the need to meet rising tenant demand they are likely to be wary of taking any decisions that might reduce landlords' future investment in the sector. Indeed, the Build to Rent Fund illustrates the government's appreciation of the need for further investment in private rented housing.

5. The inclusion of non-standard borrowers

It is important that mortgage lenders are able to serve the full range of borrowers who wish to purchase property and can afford the repayments. Perhaps the most significant concern that lenders have with mortgage regulation is that it may limit the breadth of coverage of the market and thereby leave some deserving customers unserved.

Whether it is borrowers who have faced disruption to their incomes at times in the past, or those who have unusual patterns of income or are seeking to borrow at an unusual time of their life, lenders know that being able to accommodate non-standard customers is an important service to clients that does not have to be high risk if properly understood. However, concerns that such lending could later be held to have been unjustified by the regulator will inevitably increase the caution with which lenders approach such lending decisions.

6. Remortgaging in the current climate

The drivers of remortgage activity are quite different from those of the house purchase market. While both segments of the market were severely hit by the financial crisis remortgages fared worst, declining by more than two thirds between 2007 and 2012. The financial crisis forced lenders to reprice new lending and whilst the fall in Bank of England bank rate offset much of this repricing for new borrowers, for many existing customers it meant that new deals were not competitive compared with their existing loans, reducing the incentive for these borrowers to remortgage.

However, not all borrowers are in the pleasant position of being locked into low rates as an unprecedented spread of rates has emerged as a result of the variation in lenders' Standard Variable Rates (SVRs). A similar variation in rates seems to be driving a resurgence of remortgage activity specifically in the buy-to-let market where total remortgaging more than doubled between 2009 and 2012. Indeed by

the third quarter of 2013 nearly a quarter of all remortgaging activity was focused on buy-to-let.

However, in the mainstream market it is not clear that enough customers face high SVRs to stimulate a resurgence of price driven remortgaging. At the same time, house prices across parts of the country remain depressed relative to where they were before the economic crisis, reducing remortgage opportunities for many homeowners. As a result, we see remortgage activity increasing more slowly than house purchase lending over 2014 and 2015. But Help to Buy could help significant numbers of remortgage customers as well as property purchasers.

7. The wider economic environment

The economic environment which forms the backdrop to our mortgage market forecast is one of a recovery gradually gaining traction. Output and employment are rising but, as is typical of the early stages of a recovery, there is a large gap between potential and actual output, which means there is a general absence of upward pressure on inflation. As a result of this absence of inflationary pressure, the Bank of England will face little pressure to increase bank rate from today's historic low of 0.5%.

Clearly, this cannot be considered a normal cyclical recovery because of the scale of policy measures that have been put in place to stabilise and support the economy, both here and abroad. As the world economy recovers, governments will consider the withdrawal of the various extraordinary measures that have been taken, and it is bound to slow the recovery process when those decisions are taken, limiting the risk that the economy will subsequently overheat.

In the UK, some policy measures are explicitly time limited such as Help to Buy which is a three year scheme (running from 2013 to 2016) and the FLS in which lenders can access funds until January 2015 which must be repaid by January 2019. Following the announcement that the FLS will close for mortgage lending in January 2014, this part of the scheme will have fully expired by January 2018. While mortgage rates should be expected to rise modestly in reaction to this announcement, a more significant rise is likely to accompany the final termination of the mortgage scheme in 2018.

But of more significance are the extraordinary monetary policy measures that will be reversed at some as yet unknown point in the future. The Bank of England has purchased £375bn worth of bonds (mostly gilts), creating £375bn of new commercial deposits in the banking system and kept bank rate negative in real terms for five years.

Navigating its way through the process of unwinding QE and raising bank rate will require a great deal of skill and is bound to be accompanied by volatility in financial markets. For example, reversing QE will require the Bank of England to sell gilts back

to the private sector, which is likely to put significant upward pressure on gilt yields. Fixed rate mortgage pricing is likely to be both higher and more volatile in response whenever such a policy takes place.

However, the benign outlook for inflation globally may well point to a more extended period of ultra-low interest rates and extraordinary monetary policy measures. Indeed the need for additional extraordinary monetary policy cannot be ruled out. In the explanation of forward guidance on the Bank of England's website tellingly it states 'The MPC [Monetary Policy Committee] intends at a minimum to maintain the present highly stimulative stance of monetary policy until economic slack has been substantially reduced, provided this does not entail material risks to price stability or financial stability'. As a result we do not see too much pressure on the Bank of England to raise bank rate over the forecast period.

8. Future house price inflation

The combination of rising output and employment and low interest rates is supportive for the housing market. With the added boost to confidence of Help to Buy house price growth went from flat at the start of last year to some 8% by the end according to the Halifax and Nationwide Indices.

Table 2: Key forecast assumptions

	Actual/forecast variables				% change on previous year		
	2012	2013	2014f	2015f	2013	2014f	2015f
Average house price – ONS (£)	230,400	242,100	258,000	270,000	5.1%	6.6%	4.7%
Number of housing transactions *	843,080	960,000	1,150,000	1,220,000	13.9%	19.8%	6.1%
Aggregate value of housing transactions (£m)	194,246	232,416	296,700	329,400	19.7%	27.7%	11.0%
% of transaction value that is mortgaged	42.0%	40.4%	39.8%	40.1%	-3.7%	-1.7%	0.8%
Bank rate	0.5%	0.5%	0.5%	0.5%	0.0%	0.0%	0.0%

*England and Wales

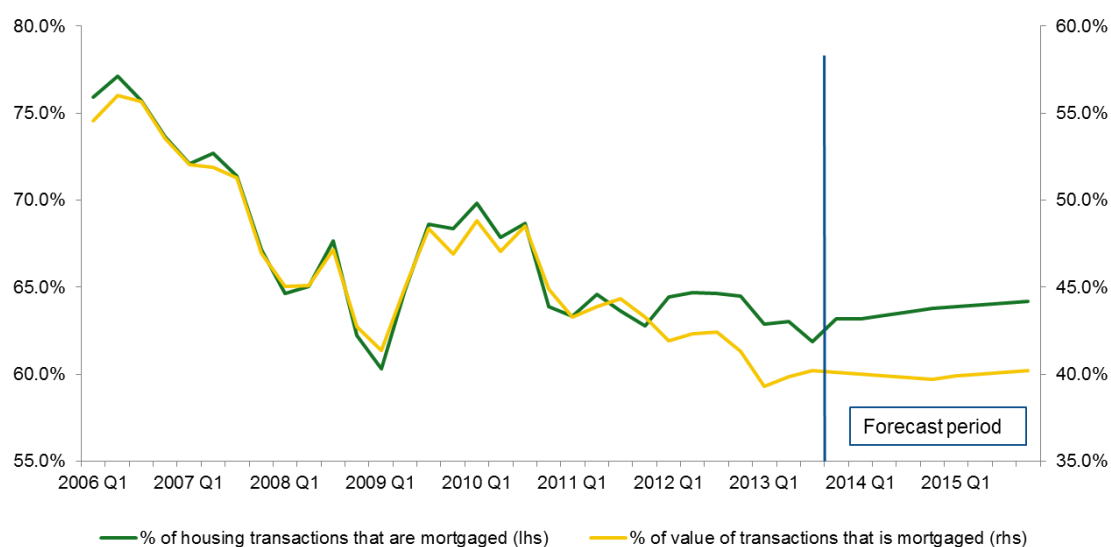
Our mortgage market forecast is based on the view that house price growth will stabilise over 2014 at an annualised rate of around 6% as affordability constraints bite and as a result of modestly higher mortgage rates in the wake of the announcement that the FLS will no longer be available for mortgage lending. We also expect housing turnover to continue to rise from the exceptionally low levels seen in recent years.

Chart 2 shows the proportion of house purchases where the buyer used a mortgage (the green line using the left hand scale) – the remainder being cash purchasers. The yellow line (using the right hand scale) compares total gross lending for house

purchase with the aggregate value of housing transactions (number of transactions multiplied by the average property price).

The yellow line shows that the proportion of purchasing power in the housing market which is mortgage financed slumped to a new low of 39.3% in the first quarter of 2013 – even lower than recorded at the height of the financial crisis. Conservatively, we forecast that this proportion will remain close to this low of 40% this year and next.

Chart 2: Mortgage lending compared to housing turnover (number and value of transactions)



Perhaps the greatest risk to our forecast is that house price inflation will increase further. The danger is that this will be fuelled by an imbalance between improved first time buyer demand and inadequate supply of homes from within the existing housing stock due to insufficient numbers of last time sellers/movers, coupled with an insufficient supply of new homes as house builders struggle to raise output quickly enough.

It is unclear what response higher house price inflation might elicit from the authorities. The new framework of financial surveillance under the Bank of England’s Financial Policy Committee (FPC) is designed to flag fears about market movements that have implications for the financial system. The FPC will in any event review the Help to Buy mortgage guarantee scheme in September 2014 but it is at liberty to voice concerns before then should it feel it appropriate. However, concerns may be tempered to some extent if the profile of house price inflation starts to shift, with higher growth in the regions and a slowdown in London, given that the level of house prices in many areas of the country away from London remains below the pre-recession peak.

9. The new regulatory environment

One of the most significant consequences of the financial crisis has been the comprehensive overhaul of the regulatory system, both for lending institutions and for the mortgage market itself. The changes facing mortgage lenders have come in three main reforms; to the prudential regulatory regime; to the mortgage market and in the form of so-called macro-prudential regulation.

The overhaul of the regulatory system for banks and other lenders has been extensive. The UK has introduced ring fencing, where retail banking will be legally separated from the rest of the bank to limit the risk of taxpayers being called on to support a bank to prevent depositor losses. Banks are also being required to meet a leverage ratio – a simple ratio of capital to assets. In addition of course there are the extensive changes to the international capital adequacy regime known as Basel 3. The new rules require banks to meet higher minimum ratios of capital to risk weighted assets and to hold higher quality capital as well as putting in place a range of other detailed changes in areas such as securitisation and liquidity management.

The MMR comes into effect from the end of April 2014 but many lenders have already implemented changes in their lending policy to conform to these new regulations. The most significant aspect of the new rules relates to affordability checks. Lenders will be required to verify borrower income and satisfy themselves that the loan will be affordable on a capital repayment basis taking account of the borrower's other outgoings against their net income. Allowance must be made for possible future interest rate increases. Interest only loans are also very much less freely available than before, with implications for buyers' ability to limit mortgage outgoings.

The UK has also set up a macro-prudential regime with the FPC established to survey the horizon for any possible threats to future stability and the Prudential Regulatory Authority (PRA) given responsibility for controlling excessive lending by banks. Given the nature of their roles and the criticism regulators received in the wake of the financial crisis there may be a risk that the FPC and PRA will have an inbuilt bias towards conservatism, with the risk that market upturns will be prematurely snuffed out.

It is too early to understand how the interplay between these three areas of regulatory change will impact the mortgage market under different conditions. One concern is that, acting together, they will unduly dampen demand and stymie the housing ambitions of many responsible households. It has already been noted that government policies to stimulate lending pull in the opposite direction to these regulatory changes and may, ironically, have been required in part to overcome a bias towards caution that the new regulatory system has engendered.

10. The new normal

At first sight we appear to be experiencing something approximating a normal cyclical recovery, albeit a belated one from an unusually deep downturn. However, even the embryonic recovery we have seen owes a great deal to government intervention in the form of a series of policy measures aimed specifically at the market – the most recent of which are the FLS and Help to Buy – and to extraordinary monetary policy (record low bank rate and £375bn worth of QE).

We can only speculate about what the recovery would look like if these props were not in place but it is fair to conclude it would be significantly less robust, if indeed there was any recovery at all. But government policy has been designed only to provide a temporary kick start to the market. Question marks remain on how we get from an assisted recovery to a self sustaining one.

However, we can form a fairly clear idea about the likely level of certain key housing and mortgage market variables if historical norms are maintained. For instance, if housing turnover returns to its 7.7% long run average relative to the current size of the private housing stock (total stock net of social rented) we will see an average of 1.7m transactions a year. Even holding house prices flat after 2015, this would be consistent with gross lending for **house purchase** in the range of £180-230bn a year (compared to our forecast for 2015 of £132bn). Of course it is possible that housing turnover will not return to previous norms. With people entering owner occupation later in life, we might expect fewer home moves going forward, which would in turn reduce a 'normal' level of gross lending for house purchase.

If remortgaging and other lending remain broadly flat we might expect total gross mortgage lending in a somewhat distant 'normal' year (given the timetable of current government measures) in the medium to longer term future to be between £290bn and £340bn against a 2015 forecast of £240bn. And if outstanding mortgage debt grows in line with nominal incomes – comprising 2% pa CPI inflation and 2% pa real income growth, effectively 4% nominal growth – it would be consistent with a 'new normal' net lending of around £55bn a year (against our forecast of £30bn for 2015). This compares to average net lending of £42bn over the period 1987-2012 – with a range of £8-108bn.

Our view of an average level for gross lending over the cycle in this medium to longer term may sound high. Yet it is important to note the mortgage market's previous lending peak of £363bn in 2007 is equivalent to £438bn at today's prices, and £455bn in 2015 assuming 2% pa CPI inflation.

Although a sustainable market recovery with these kinds of volumes of activity may be expected over the longer term it is worth bearing in mind that, after the support measures have expired or been unwound, the regulatory changes will still be in

place. Only then are we likely to have clarity about how large a constraint the new regulatory regime is really imposing.



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About IMLA

IMLA is the specialist trade body representing the interests of mortgage lenders who market their products through brokers, rather than solely direct or through a branch network. Its directors and members are drawn from the senior ranks of mainstream banks, building societies, 'challenger' banks and specialist lenders.

IMLA provides a unique opportunity for senior industry professionals to meet on a regular basis to discuss key current initiatives and contribute actively through IMLA and other industry forums.

IMLA was formed in 1988 as the Association of Mortgage Lenders and was instrumental in the creation of the Council of Mortgage Lenders (CML). It changed its name to IMLA in 1995. Subsequently IMLA helped bring the Association of Mortgage Intermediaries (AMI) into being and was instrumental in bringing the mortgage advisers qualification CeMAP to fruition.

For more information, please visit www.imla.org.uk

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A highly experienced analyst and economist, 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 (CML) (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 backed NewBuy 95% LTV mortgage scheme.