

# Mortgage Intermediary Census Broker Confidence Report

September 2008



FINANCIAL  
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CONSULTING

# OVERVIEW OF FINDINGS FROM SEPTEMBER 2008

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## **Brokers' Views of Current Mortgage Market Conditions & Own Business Compared to 6 Months Ago**

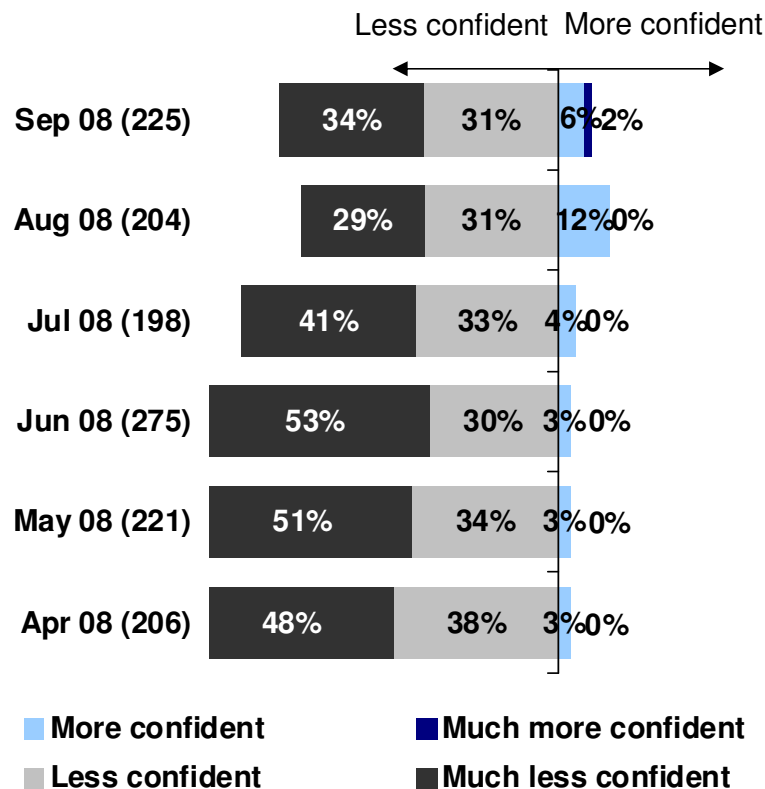
- August's improvement in mortgage market conditions has slowed down in September
- Brokers' confidence in both the market and their own business is higher than in July, while slightly lower than in August
- Business owners continue to feel that current market conditions are having more of a negative (than positive) impact on their business
- 'Maximum LTV reached' is now the major reason for brokers being unable to assist both purchase and remortgage clients

## **Brokers' Views of Mortgage Lenders**

- After a notable improvement in the perception of the majority of lenders in August, the perception of lenders, especially Halifax, has decreased in September (likely to be due to decline in share value and LloydsTSB take-over of HBoS); Since April 08, brokers' perception of Cheltenham & Gloucester has continuously improved
- In September, compared to August, there has been a slight negative shift in brokers' views towards product rates and product availability, however, the views are still more positive than in months prior to August

# BROKERS' CONFIDENCE IN MORTGAGE MARKET

- In September, (after a positive shift in August), the proportion of brokers who are more confident in the mortgage market compared to 6 months ago has slightly reduced
- *Example quote from Broker: "We feel the situation has stabilised in the commercial market as we only deal with lenders who are well positioned in these challenging times."*



## Brokers' reasons for feeling LESS confident:

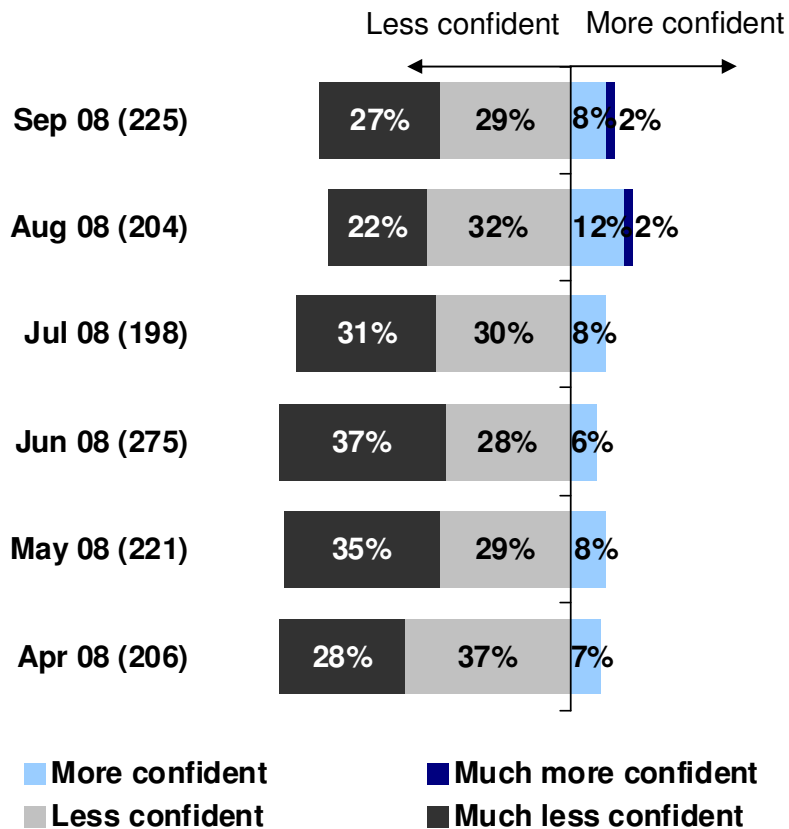
- "There is a loss of confidence in property as a whole and a loss of trust in the banks."
- "Recent events with collapse of Lehman Brother, AIG difficulties etc."
- "Economy worsening so having negative impact on housing market and no leadership from PM to sort out."
- "Problems in the Financial Markets in America will affect the rest of the world."
- "There is worse to come with regard to recessionary impacts of lack of capital, increasing costs and unemployment."
- "Massive uncertainty in the banking sector can only have negative effects on the mortgage market"

## Brokers' reasons for feeling MORE confident:

- "The market seems to be turning around with more availability and lower rates."
- "Lenders' criteria appear to have softened slightly. Reducing rates from a majority of lender."
- "Because it has previously bounced back and will again."
- "Rates and LTVs are improving."
- "I've just decided to."

# BROKERS' CONFIDENCE IN OWN BUSINESS

- Brokers' confidence in their own business prospects compared to 6 months ago is more or less in line with August, although they were slightly more positive
- *Example quote from Broker: "I think this is only the beginning. Once unemployment starts to rise we are in for a very hard time. Thankfully I do not base my entire business around the mortgage market!"*



## Brokers' reasons for feeling LESS confident:

- "There are a number of factors outside of my control that are making it increasingly difficult to operate a small enterprise."
- "Over-regulation, impact of credit crunch and redundancies on clients."
- "Because the mortgage sector of my business has been hit fairly hard, being down 2/3 on last year."
- "Suffocated by compliance and starved of deals."
- "Less purchases and direct approach from lenders to existing clients. Also dual pricing is still with us."
- "Market unease and mortgage market slows a month or so before Xmas normally."

## Brokers' reasons for feeling MORE confident:

- "Can actually find suitable products for the majority of my customers."
- "Mortgage lending cannot stop all together like some would have you think, there are a lot of fixed rate mortgages coming to an end."
- "Marginal improvements in rates and criteria and LTV."
- "More good quality enquires being received."
- "We have seen an increase in business levels and I hope this pattern continues. We are also looking to diversify into estate agency."