



*For immediate release*

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### **Homebuyers continue to place their trust with mortgage intermediaries**

Mortgage intermediaries continue to dominate mortgage lending, despite the increased focus by some lenders on direct distribution, industry figures have revealed.

Figures released last week by the Council of Mortgage Lenders (CML), using data from the Financial Services Authority, showed that mortgage lending via intermediaries, by value, accounted for 64% of total mortgage lending in the first quarter of 2009, approximately the same proportion as the second half of 2008.

Since the start of the credit crunch, some lenders have focused their efforts on branch-based mortgage distribution, but the data highlights the reality that the industry as a whole continues to use intermediaries as the main channel and that the evidence suggests homebuyers and remortgagers continue to value the expertise and service levels offered by the mortgage broker community.

The figures showed that 70% of first-time buyer loans, by volume, came through intermediaries in the first quarter of 2009, up from 68% in the previous quarter, while home mover loans increased from 56% to 58% over the same period.

Peter Williams, IMLA's executive director, said: *"People value the service that the mortgage broker community provides and that is why they remain the first destination for many when looking for a mortgage. Their experience and expertise are particularly valuable in the current economic conditions, when mortgage availability remains scarce and it is harder than ever for would be borrowers to source suitable mortgage deals.*

*"The mortgage market is less than half the size it was at its peak – which means brokers have to work hard for the reduced business there is in the market. Brokers are focused on helping borrowers and ensuring lenders write high quality loans. Consumers value this channel and clearly so do lenders. Indeed despite all the turbulence in the market a number of lenders have strengthened their intermediary operation. There will be many challenges ahead but in our view the intermediary market will remain at the heart of mortgage distribution"*

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## **NOTES TO EDITORS**

**IMLA** is the specialist trade body representing the interests of lenders who market their products primarily through brokers, rather than direct or through a branch network. The sub prime market makes up around 8% of the UK mortgage market and had a value in excess of £20 billion in 2005. Alongside that market is the self-certification market making up a further 10% and with a value in 2005 of around £30 billion. Both sub-prime and self-certification loans are almost exclusively sold via brokers rather than direct through lenders' branches. Currently over 60% of mortgages are sold through intermediaries.

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 fora such as the Council of Mortgage Lenders.

IMLA was formed in 1988 as the Association of Mortgage Lenders and was instrumental in the creation of the 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.

More information can be viewed at the IMLA website [www.imla.org.uk](http://www.imla.org.uk).

### ***IMLA Management Committee 2009***

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