

Total lent this year to date

£ 4 9 3 , 2 7 9 , 6 3 7

Secured lending finishes year up 44.74% on previous year

Secured lending sees its **best December since 2007!!**

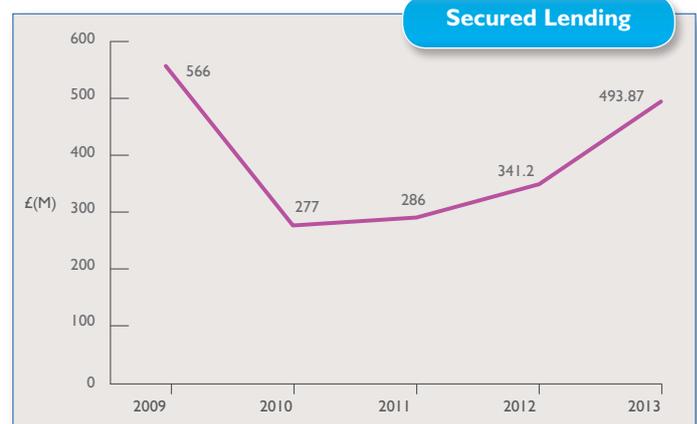
Total lending in December is **£40,871,398**

December 2013 **up 66.5%** on December 2012

The Secured Loan Index has been published since June 2012, yet this is the very first time I've been able to write about a statistic that has out performed 2007. Secured lending in December beat the total amount lent in the same month in 2008.

Whilst figures for December show a decrease of 12.71% from November, this is always to be expected at this time of year. But, a 66.5% increase on the previous year is an incredible rise.

Q4 has been the biggest quarter the industry has seen since 2009 at £138,470,000, and December marks an incredible 26th month of successive year on year growth.



Matt Tristram, Co-Founder & Director of Loans Warehouse & Clearly Loans comments:

“ **The FLA revealed last week that overall consumer finance new business grew by 6 per cent year-on-year, with secured loans showing the biggest percentage increase.** ”

The past year has seen the arrival of five new lenders; Clearly Loans; TFS; Firmus Secured Loans; FinSec & most recently, Precise. Whilst Spring Finance has also rebranded as Watchtower.

Lending figures have increased every single month in 2013 compared to the previous year. At the start of the year, there were certain months I personally thought would be hard to beat. However every single

month we have reported increased lending figures on the previous year. Increases ranging from 15% (August) to 66.5% (December).

Bigger loans, cheaper rates, higher LTVs? Throughout the year a rate war has resulted in all time low rates with the lowest rate currently standing at a proud 5.4%. Additionally loans available are bigger than ever before; early in the year Prestige matched Blemain's industry leading maximum loan of £500,000 but with a much lower lender fee. As the year progressed Shawbrook also moved its maximum offering to the half a million mark. When Precise launched in November, its plans went up to £1,000,000 but the thunder was stolen just a few weeks before when Prestige launched a new larger loan product up to £2,500,000!

...continued over

What do we expect to see in 2014?

New entrants?

The trend of new lenders looking at the secured loan market is sure to continue with the likes of United Trust Bank, Paragon and Aldermore rumored to be looking to release a secured loan range in 2014. New lenders are expected to emerge including Optimum Credit, fronted by several ex-Nemo Personal Finance directors.

New areas of lending?

For me this will be the year that secured lending will make its mark on BTL lending in a big way, it's the most obvious area where there can be growth. First charge lending on rental properties has been growing year on year whilst secured loans have just dipped their toe into this area – Who knows, we may even see the UK's first BTL specialist secured loan lender?

We're likely to see growth in Scotland as several lenders still have restricted lending, more lenders are likely to look at lending in Northern Ireland with just Clearly Loans & Evolution Money currently offering products across the water.

New systems?

As product continue to improve, so will demand. Lenders and brokers alike will invest heavily this year and compete on who will have the most user friendly systems. It's not just about the best rate, the customer journey will become more considered after April 2014.

FCA authorisation?

2014 has arrived and the industry is likely to see the biggest change since the 1970's. We asked **Michael Coogan, Strategic Advisor at Loans Warehouse** for his views on what the change in regulation will mean for the second charge market.

“ 2014 is a momentous year for the lending industry in the UK. Within the secured loans sector, demand will ensure market growth continues, and loans will be at historically attractive interest rates. What is less clear is how and when the move to a new regulator will change the structure of the secured lending and broker sectors. Unless the FCA chooses to carry out thematic work into how the market operates, as part of its business plan for 2014, I would suspect that the most significant impact will be felt not this April, or indeed in 2014, but rather when the UK implements the European Mortgage Directive. Further FCA consultation is planned in the spring, and it is at that stage that structural changes in the market may be easier to identify.

In the meantime, for mortgage prisoners who can afford to borrow, and can do so responsibly, the secured loan sector will continue to fill the gap created by risk aversion in the mainstream mortgage market. ”

Final Thought

44.74% year on year growth, say it all... bring on 2014.

Index Methodology: To create the index, Loans Warehouse analyses the figures released directly to them by UK secured loan lenders. Figures prior to January 2012 are taken from the FLA.

*We have corrected our figures for January 2013 lending, to evidence further information received

About Loans Warehouse:

Established by Matt Tristram and Sam Busfield in 2006, Loans Warehouse has become a **market leading secured loan brokerage**.

Loans Warehouse have been awarded **best broker status** by What Mortgage, Mortgage Strategy and Financial Reporter in recent years.

Loans Warehouse has direct access to **every major secured loan lender** in the UK.

Notes to Editors

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