

Financial innovation and mortgage security

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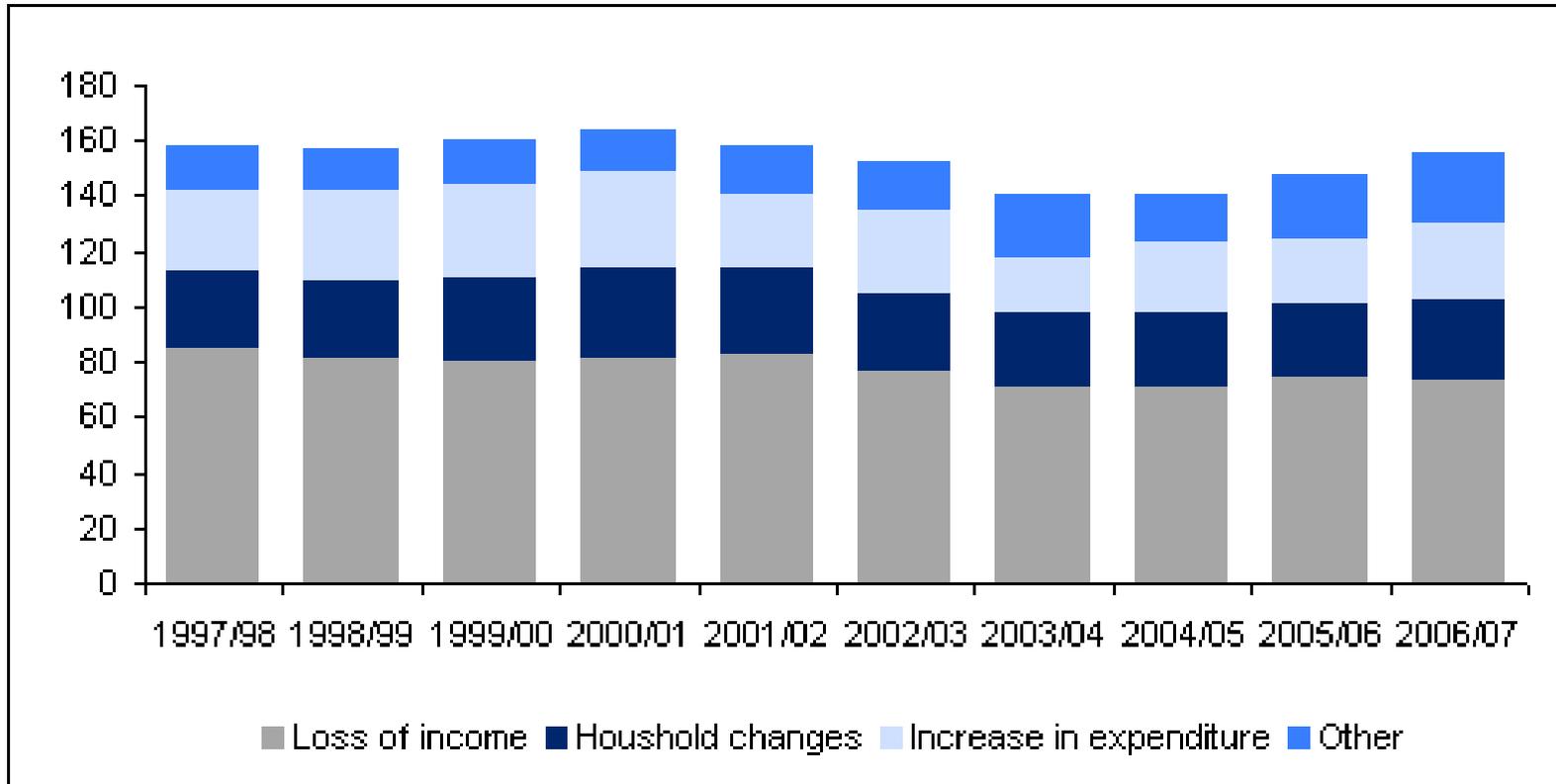
UK households by tenure and age of household

Tenure	Age									Percentage of households
	16-24	25-34	35-44	45-54	55-59	60-64	65-74	75-84	85+	All households
Owners										
Owned outright	3	4	9	23	47	60	70	71	68	33
Buying with a mortgage	17	52	62	53	33	19	7	2	1	36
All owners	20	55	71	77	80	78	77	73	69	69
Social Rented Sector Tenants										
Rented from Council	14	8	9	8	8	9	11	11	14	9
Rented from a Housing Association	14	8	8	8	7	7	9	10	11	8
All Social Rented Sector Tenants	27	16	16	16	15	16	19	22	25	18
Rented privately										
Rented Privately unfurnished	28	18	10	6	5	5	4	5	5	9
Rented Privately furnished	24	10	3	1	1	1	1	1	1	4
All Rented Privately	53	29	13	7	6	6	4	6	6	13
<i>Sample size (=100%)</i>	<i>846</i>	<i>3,342</i>	<i>4,987</i>	<i>4,596</i>	<i>2,135</i>	<i>2,182</i>	<i>3,508</i>	<i>2,650</i>	<i>736</i>	<i>24,982</i>

Source: Department for Work and Pensions (2009)

Housing payment problems

(% of all households[1])



Source: Communities and Local Government, Survey of English Housing Table 315 cited in Council of Mortgage Lenders (2009).

[1] Households could give more than one reason, hence totals exceed 100%.

Sources of financial difficulties for households in 2009

- *Unexpected spending, eg car repairs*
- *Loss of income - sickness and redundancy.*
- *Household changes - a new child or other new carer role, rather than relationship breakdown.*

(Council of Mortgage Lenders, 2009)

Industry innovation to improve homeowner security

- Flexible mortgages
- Mortgage payment protection insurance (MPPI)
- Sale and rent back schemes

Government measures to improve homeowner security

- Regulate industry products!
- Support for mortgage interest extended
- Mortgage Rescue Scheme
- Homeowners Mortgage Support Scheme