Whose mortgage is it anyway? Producers, consumers and the law in the UK mortgage market


Abstract

Statutes

Share

PDF

McAuslan,_Patrick_-The_Reform_of_Mortgage_Law3.pdf

Creative Commons: Attribution-Noncommercial-No Derivative Works 3.0

Statistics

Loading...
1.1 Overview of the US mortgage market

Owner-occupied housing and the mortgages used to finance it are currently the single largest asset and liability on the household balance sheet. As shown in Graph 1, residential mortgage debt has grown so that households now owe just over $8 trillion. Consumer credit, which includes personal loans, auto loans and credit card balances, now stands at just over $2 trillion. As a ratio of after-tax personal income (Graph 2), mortgage debt outstanding has roughly doubled since 1980, rising from about 45% of disposable personal income (DPI) to about 90%. UK lenders could develop new online tools to help consumers select the right mortgage product for them, the Financial Conduct Authority (FCA) has said. "In the next phase of our work we will talk to industry and consumer groups in more detail about how the advice standards may be inhibiting innovation and what can be done about that," the regulator said. "Solutions could include changes to the trigger for advice, exploring what more can be done to enable intermediaries to offer execution-only sales, allowing firms to promote their execution-only channels on a more equal footing, and/or reviewing relevant guidance about what constitutes regulated advice." "We are willing to consider amendments to the Handbook to help t We have published the Mortgages Market Study final report. It explains our final findings and provides a progress update on the proposed remedies. The report explains our final findings on whether the competition in the mortgage market works for the benefit of consumers. It also includes an update on remedies. We have sought to understand whether the consumers are empowered to choose on an informed basis between products and services and whether they are in a position to understand whether these represent good value for money. In May 2018, we published our interim report (MS16/2.2) which set out our provisional view on the way competition works in the mortgages market and how we would like the market to develop. We also consulted on a ra