



25th April 2022

Dear Sir,

Today I, Jill Hulme, and Janice Bieker of UKMP had a very useful meeting and informative exchange with BSA's Paul Broadhead and Harinder Chohan.

There was a willingness to work together where possible in a solutions-based approach to the mortgage prisoner issue in general and the various cohorts affected. There was a mutual appreciation for the issues on both sides and a desire to overcome these difficulties recognising the detrimental impact mortgage prisoners are experiencing.

BSA, consider more of their members might be willing to come forward with mortgage prisoner products if there was a robust process to give them confidence and some movement on FCA policy areas to allay the caution with which some may approach this arena.

There was also some conversation around the UKMP proposed cap on svr margins and the potential for wider support for a time limited application to for example, pre-crash dated mortgages.

That aside, essentially there were three main areas in which it was felt progress could be made with the right Government and Regulatory support.

1. Pushing the communication space: Government/FCA raising awareness to those whom FCA identify as being able to be helped who have not come forward to switch and industry confidence in the form of provision to mortgage prisoners of some form of government 'letter' identifying them as entitled to modified criteria rather than reliance on the 'once only' letter which the closed book administrators were to have issued.

2. A fresh look at the role, availability of and regulation around retirement interest only mortgages to assist with those at and approaching interest only end of term with no or inadequate repayment vehicle, often having been induced into such mortgages pre Financial Crash with a view to being a two year short term option and due to the crash and it's many consequences, never having been able to move to repayment and now, 14 years on, with too little term left to be able to. An increase in both lenders and customers coming to the RIO market would drive more competitive rates than those which presently sit

around high svr level and a movement on LTV for those currently paying at up to 85% often still impacted by loss of equity pre housing market crash. LTV increase would require FCA/Prudential considerations and movement.

3. A form of reassurance for Lenders from FCA or some type of Government Guarantee to enable help for customers who are/have been meeting their contractual payments for 12 months but who may be carrying some historical arrears or have been impacted by a small number of historical missed payments due to a past difficulty no longer an issue.

We would welcome multi agency discussions and input in these areas to which we would gladly bring our 'experts by experience' value.

Yours sincerely

Rachel Neale

Lead Campaigner

UK Mortgage Prisoners

