

Professional Services Provided to Mortgage Lenders and to Property Owners/Managers

Mortgage Arrears Counselling

Established in 1990, White Horse Mortgage Services is the premier provider of Mortgage Arrears Counselling in the United Kingdom and Southern Ireland, working for a large number of the major banks, building societies and other lenders.

We have an extensive national resource of professional experienced counsellors, with principally bank or building society managerial backgrounds and all trained in Arrears Counselling techniques.

Where our counsellors are able to meet with and speak to a borrower in difficulty, an acceptable solution can be found in greater than 86% of all cases. We are also able to provide comprehensive information on the property visited, together with reasons for the Mortgage Arrears.

Property Visits and Inspections

We can carry out any type of property visit from a simple "drive by" to ascertain the occupancy and external condition of a property and/or its immediate environment to a detailed inspection of the property.

We can also provide services for empty commercial or residential properties, and will deliver or collect documents that need to be handed over in person or that require a signature.

Bespoke Services

Our resources can be used to provide a nationwide service for a client's individual needs using our highly professional field force to represent them, including a comprehensive management service for properties with or without tenants.

Pre-Eviction and Possession Day Attendance

Our counsellors will ensure that occupants are preparing to leave the property on the date set by the Court and that they understand their responsibilities.

Where possible we will obtain forwarding and contact details. We can also attend the property on the day of possession, alongside the Court Bailiff, to check that the borrowers have fulfilled their responsibilities to the lender or property owner.

Post-Possession Recovery

Where a borrower has left a property with an outstanding balance owed, our counsellors can meet with the debtors and help them budget for repaying the debt.

Tracing

Our fast and efficient tracing service uses extensive national databases to locate individuals. If we are unable to make a positive trace in this way then we can instruct one of our professionally trained field operatives to carry out discreet enquiries at the last known address.

Unsecured and Commercial Loan Counselling

Our counsellors' skills and experience in finding solutions for mortgage borrowers can be equally successfully deployed when dealing with arrears problems for unsecured and commercial loans.

Rent Arrears Counselling

Local Authorities and private landlords can use our professional counselling service to help recover rent arrears, reduce bad debt and improve their cash flow.

Pre-Loan Assessment

This enables a lifestyle and affordability assessment to be added to the pre-loan information in compliance with the FSA's consultation paper 10/16.

Borrowers can also be informed about direct debits and collection dates, arrears policy and anything else that the lender wants to bring to their attention.

Post-Loan Completion Visits

This service is designed to ensure that borrowers understand the main terms and conditions of their loan and are happy with the service that lenders have provided. It is also an opportunity to get feedback about the loan process and to ensure contact details are established.

If you would like to know more about our services and how we can help in your Treating Customers Fairly initiative:

Telephone
01793 480202
www.whms.co.uk

E-mail: enquiries@whms.co.uk
Fax: 01793 495076

White Horse Mortgage Services Limited
Pembroke House, 1 Eastcott Hill, Swindon, Wiltshire
SN1 3JG, or DX 6240 Swindon 1



www.whms.co.uk



**Counselling Gets Results
by Treating Customers Fairly**

**Mortgage Arrears
Results 2011**
Whole year analysis for
cases completed in 2010

Chief Executive's Commentary

There has been very little change in the Reasons for Arrears for the UK as a whole in 2010 with a 2.9% fall in Lifestyle reasons such as over-indebtedness and financial mismanagement, corresponding to a 3.2% rise in Personal reasons such as ill health and relationship breakdown. This disguises some significant regional changes with Wales, the South West, South East, Midlands and the North all seeing a much improved situation with the resolution of many more Reduced Income problems. The new jobs being created in these regions bode well for a more stable 2011 even with public sector spending cuts causing more people to be available for work as employment transfers back to the private sector. It has been noticeable that part-time work and people doing more than one job to make up their income is more common than in past years.

New lending has been at extremely low levels with new private house completions down to just over 82,000 from 92,500 in 2009 and 116,500 in 2008. The market generally has benefitted from the recovery in house prices, with the result that total sales have risen from 847,000 in 2009 to an estimated 907,000 last year. This compares to 922,000 in 2008 and 1.62 million in 2007, but it is likely that there will be a new drop in the number of sales this year, unless mortgages become more generally available.

Taking account of the restrictive terms of new lending, arrears problems are occurring from mortgages taken out three or more years ago and with interest rates having been held at historically low levels, 2011 is going to be particularly affected by any response made to growing inflation. The challenge will be to maintain contact with the borrowers that have problems and help them to manage any reductions in income through the next few years whilst the economy continues to adjust to the new world model. The absence of any significant equity release lending will create a far more stable situation in the long run, but the reduced spending power available to consumers will continue to be felt in every part of the economy.

The global position is also going to exert a growing influence with China's inflation problems likely to lead to price rises here, America's balance of payments and public debt reaching potentially dangerous levels and Europe having member states with credit ratings reaching junk bond status, despite ongoing intervention by the European Central Bank. All these factors are likely to affect the value of sterling and our own inflation problems.

The FSA Mortgage Market Review has moved to a new stage with regulation for consumer protection being passed to a new Consumer Protection and Markets Authority. The extensive restrictions being proposed for sustainable new lending will slow down or could even stop any recovery in house sales.

For all of the above reasons, it is inevitable that many mortgages will become longer term loans than was previously experienced, with some being extended beyond the normal 25 years to cover shortfalls from this forthcoming period. As many borrowers will also have less stable employment and incomes, it is essential for lenders to work as flexibly as possible with their borrowers throughout the term of their mortgage to avoid a house price fall beyond that which the lower level of market activity will cause. This work will increase costs and the resultant interest rates being charged, but should help minimise losses and the problems of shortfall recovery in the years to come.

Richard Lay

Chief Executive
White Horse Mortgage Services Limited

Reasons for Mortgage Arrears

Analysed for the United Kingdom as a whole 2010, 2009 and 2008 and Regionally for 2010

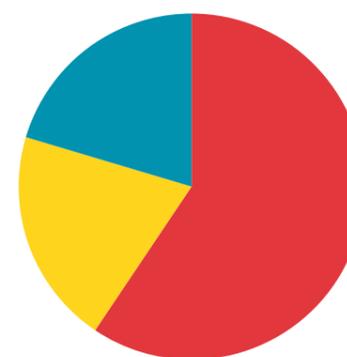
	United Kingdom 2010	United Kingdom 2009	United Kingdom 2008	West Midlands 2010	East Midlands 2010	North 2010	North West 2010	Yorkshire & Humberside 2010	South West 2010	South East 2010	Greater London 2010	East of England 2010	Scotland 2010	Northern Ireland 2010	Wales 2010
Unemployment (Now Resolved)	9.72	9.04	8.00	9.90	10.99	8.23	12.15	8.53	6.64	10.69	8.85	6.55	10.90	6.96	13.75
Unemployment (Unresolved)	11.56	13.76	6.34	15.36	11.35	9.05	10.96	8.21	9.77	8.97	15.63	9.07	12.82	17.68	11.25
Reduced Income (Now Resolved)	17.98	16.08	17.87	21.35	15.25	24.69	16.15	19.65	22.27	22.41	16.67	19.14	13.14	4.35	20.83
Reduced Income (Unresolved)	20.15	20.83	18.29	19.01	22.70	19.76	18.96	17.72	22.25	22.07	23.44	19.65	18.59	22.01	17.08
Over Indebtedness (Now Resolved)	2.78	2.11	2.77	2.34	1.42	6.17	2.67	1.93	1.56	4.48	2.60	4.53	2.56	0.87	2.92
Over Indebtedness (Unresolved)	3.85	3.23	4.94	3.13	2.84	2.06	4.15	3.86	6.25	2.76	5.21	2.02	5.46	5.80	2.08
Financial Mismanagement	13.57	17.78	22.10	13.02	10.98	11.93	13.33	12.40	9.77	12.41	13.54	8.82	16.99	28.70	6.67
Relationship Breakdown	8.40	7.96	7.29	7.55	12.06	8.23	7.41	9.82	10.94	8.28	2.60	4.28	9.29	7.83	7.08
Ill Health (Recovered)	4.91	4.02	6.34	3.39	3.55	4.12	5.93	8.05	3.52	3.10	3.13	13.35	6.73	2.32	7.51
Ill Health (Long-term)	6.29	5.15	5.87	4.95	7.80	5.76	7.40	8.70	5.08	4.83	7.81	7.30	2.56	2.61	10.00
*Other Reasons	0.79	0.04	0.19	0.00	1.06	0.00	0.89	1.13	1.95	0.00	0.52	5.29	0.96	0.87	0.83

*Other Reasons include wilful non-payment, fraud and technical disputes

Notes: (1) Figures quoted are percentages of all cases analysed
(2) Regions consistent with Government Regions
(3) Regional data for 2009, 2008 and before is available on request

Reasons for Arrears 2010

Economic (Outside influence of borrower)	59.41%
Unemployment Now Resolved	9.72%
Unemployment Unresolved	11.56%
Reduced Income Now Resolved	17.98%
Reduced Income Unresolved	20.15%
Lifestyle (Under direct control of borrower)	20.20%
Over Indebtedness Now Resolved	2.78%
Over Indebtedness Unresolved	3.85%
Financial Mismanagement	13.57%
Personal (Circumstances suffered by borrower)	20.39%
Relationship Breakdown	8.40%
Ill Health - Recovered	4.91%
Ill Health - Long term	6.29%
Other Reasons	0.79%



Economic (Outside influence of borrower)	59.41%
Lifestyle (Under direct control of borrower)	20.20%
Personal (Circumstances suffered by borrower)	20.39%

Society of Professional Mortgage Arrears Counsellors

Established to promote best practice through thorough training, careful regulation and the continuous development of the Society's Counsellor Members.



As the economic downturn continues, lending has been severely curtailed and the type of mortgages now being offered are very much less likely to develop arrears problems. It is however inevitable that there will always be some borrowers who get into payment difficulties and need help. It is essential that systems are developed which are compatible with the voluntary sector, who can support those in need of guidance and advice beyond that available through the lender alone. The Society responds to Government and FSA consultation on arrears and possessions, it also develops best practice training and qualifications.

The Society is pleased to invite support and involvement from lenders, voluntary bodies and associate organisations through Associate and Honourary Memberships.

Visit: www.SoPMAC.org.uk
or email enquiries@SoPMAC.org.uk