

The Financial Services Forum

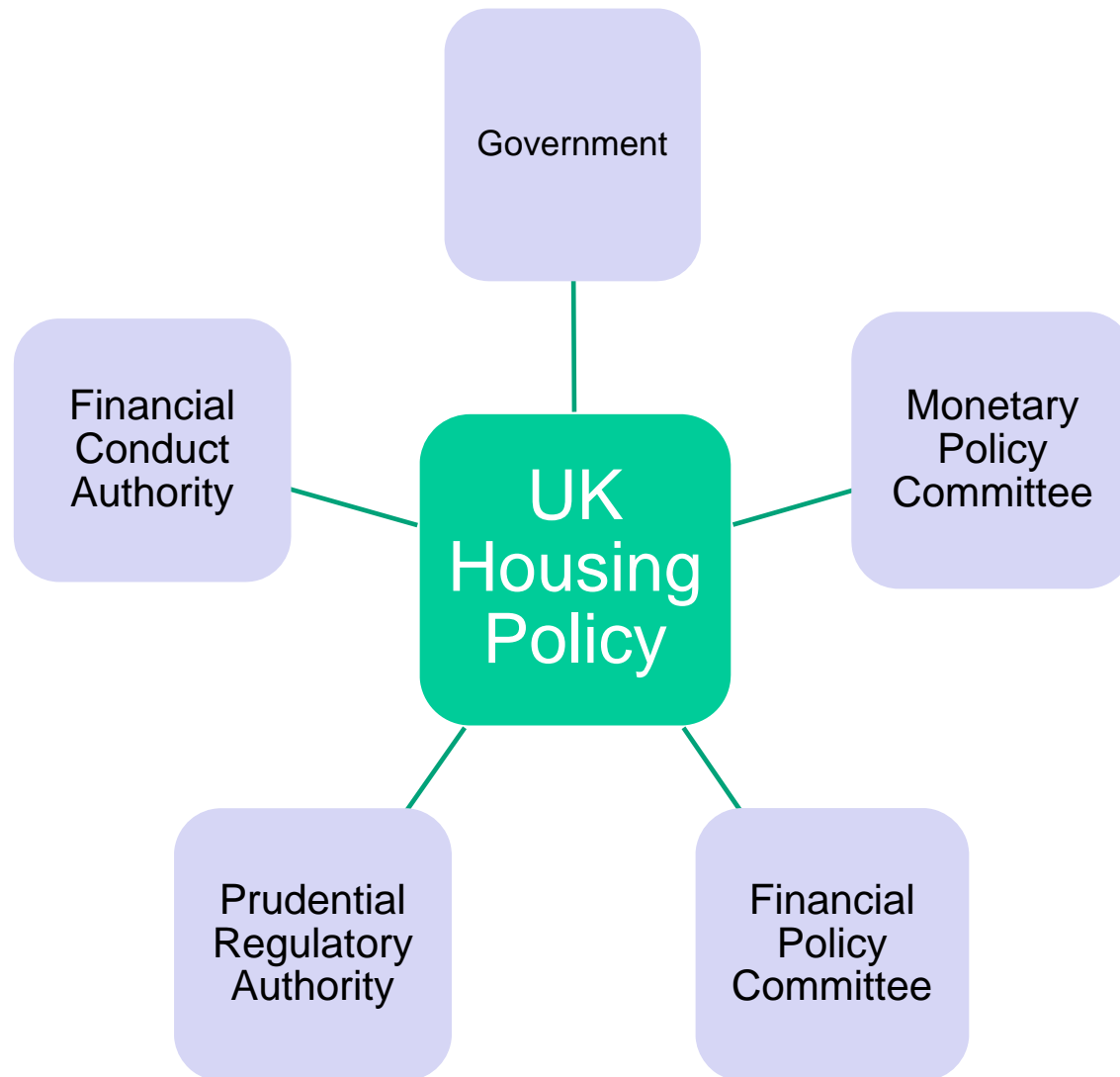


Reading the Runes – Understanding the Government Strategy on Lending and Housing

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The regulators



Chancellor and the Treasury

- Need a bigger tax take – attack BTL
- Do not want to regulate BTL
- Build more homes and fund more mortgages
- Initiatives to help first time buyers – Help to Buy, Lifetime ISA
- Grow crowd-funding as a competitor to banks

DCLG

- Housing White Paper
- Have the problem but have no money



The regulators



FPC

- Concerns over total indebtedness, UK house prices and inflation
- Lack of post-crisis correction
- Impact of buy to let and controls required
- Use macro tools – LTI, LTV caps but no real impact

MPC

- Control inflationary growth
- Impact of free money



The regulators



PRA

- Ensure adequate capital
- Robust liquidity and recovery plans
- Is today's innovation tomorrow's bad debt?
- Concerns around later life, interest-only and LTI

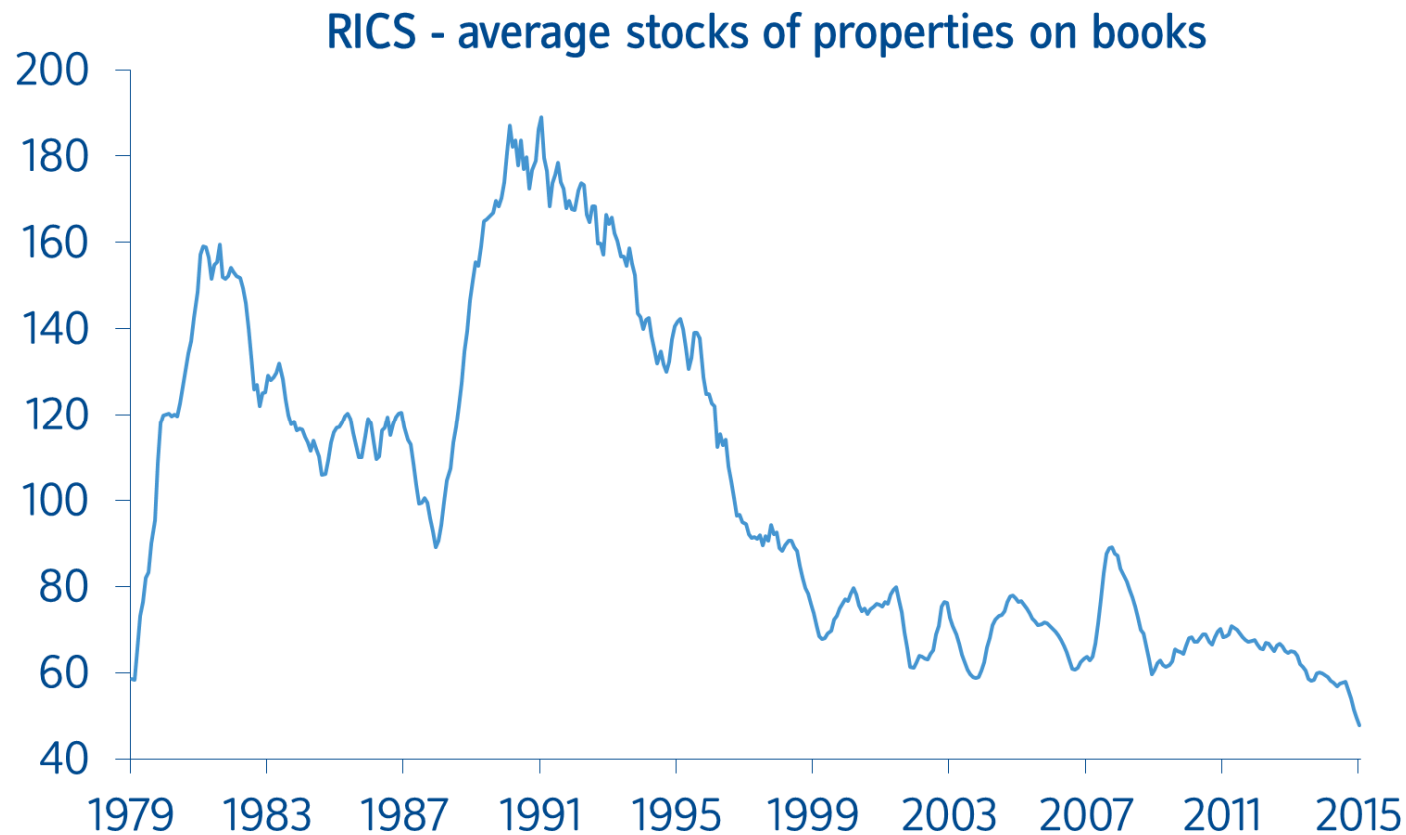
FCA

- Consumer, competition and conduct objectives
- Data and outliers
- The innovation sandbox
- Opposing views around later life, interest-only and affordability



Issues for UK housing policy

➤ Lack of housing supply

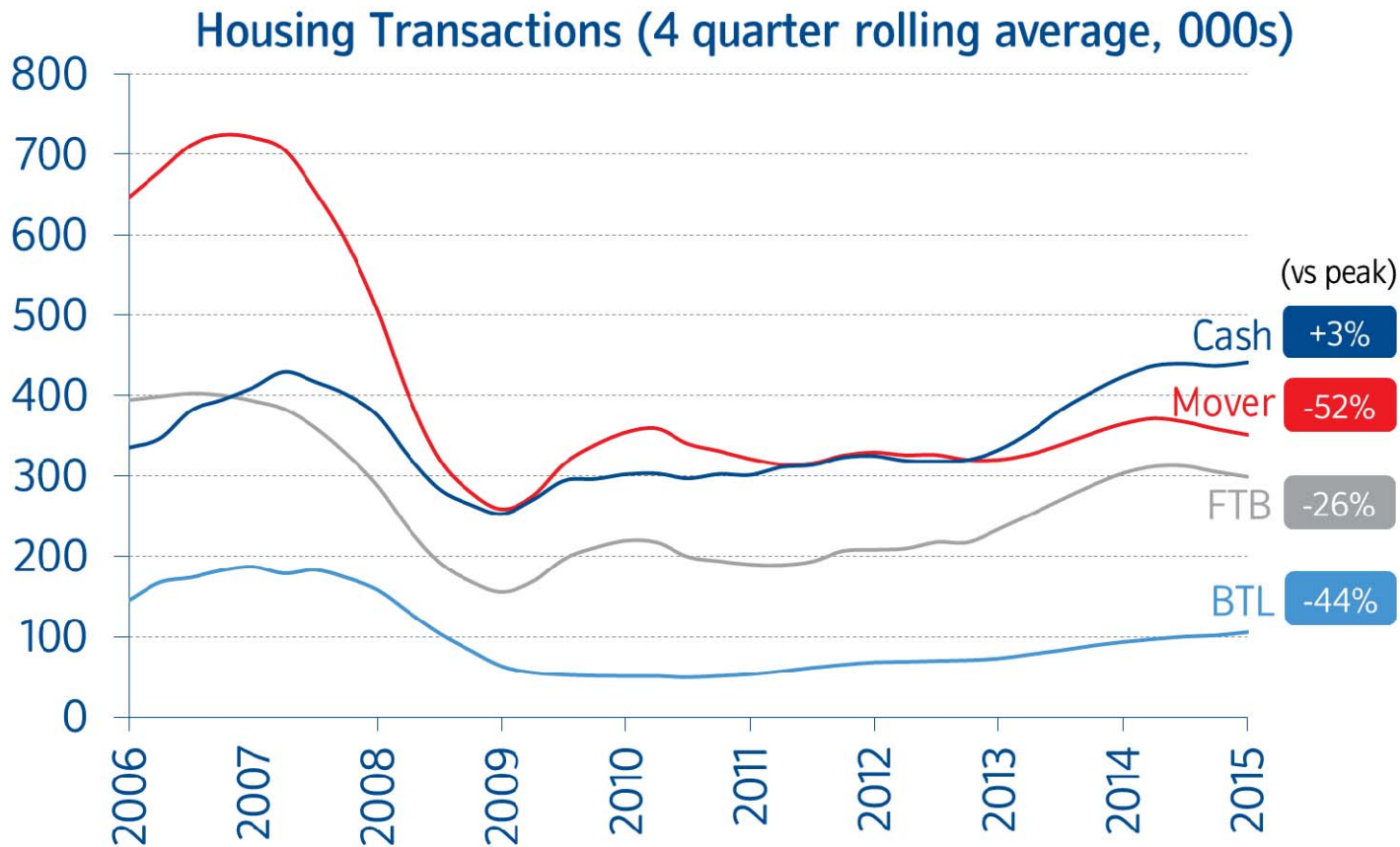


Source: Nationwide

Issues for UK housing policy



- Transaction levels and the scale of cash purchases



Source: Nationwide

Issues for UK housing policy



- Value locked in property v pensions
- Ageing population
- BREXIT
- Taxation of private landlords
- Focus on commercial landlords
- Stamp duty land tax
- What is advice?
- Impact on HPI of guarantor mortgages and equity release
- Internet and FinTech





Who is brave enough to predict the future?

