



White Horse Mortgage Services

# Counselling for results

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# Company Background

- Formed in 1991 White Horse introduced Counselling techniques to the Mortgage Lending Industry specifically to minimise the number of properties being taken into possession.
- Nationwide coverage including Republic of Ireland.
- The private sector has completed over 1½ million counselling cases with a current workload in excess of 250,000 per year.

# Counselling Process

- Appointed by lenders when they are unable to make contact with a borrower.
- Carefully deals with the sensitive nature of the situation. Helps achieve wherever possible a sustainable solution for each individual case.
- Report prepared for lender to determine the most appropriate outcome.

## Outcome of Cases

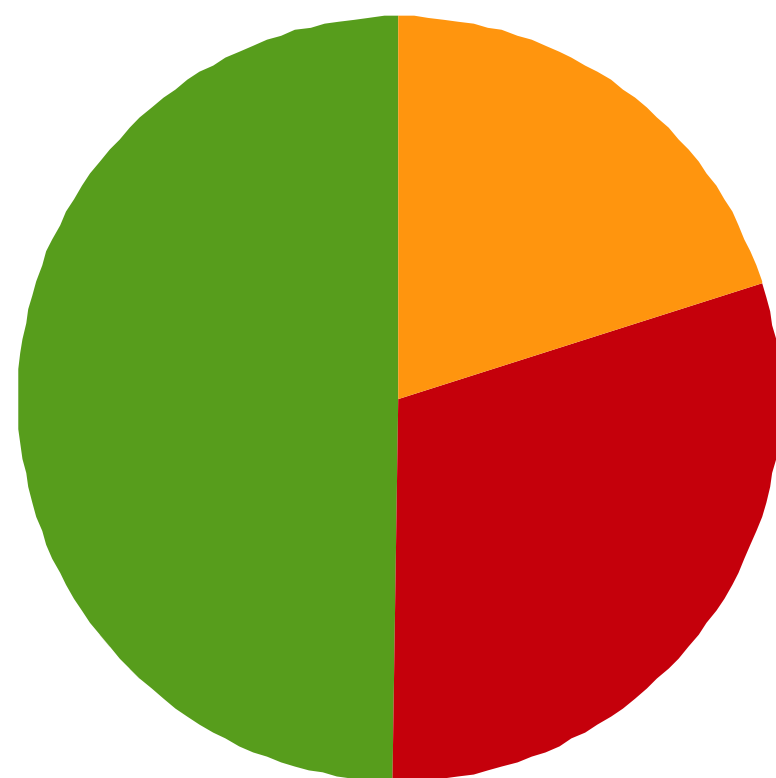
	2008	2009(3 mths)
	%	%
<b>Counsellings</b>	<b>36.0</b>	<b>35.2</b>
<b>Tenanted</b>	<b>6.8</b>	<b>5.9</b>
<b>Abandoned</b>	<b>2.7</b>	<b>4.9</b>
<b>Refused Counselling</b>	<b>26.4</b>	<b>21.4</b>
<b>Avoiding Contact</b>	<b>4.8</b>	<b>3.2</b>
<b>No Contact established</b>	<b><u>23.3</u></b>	<b><u>29.4</u></b>
	<b>100.0</b>	<b>100.0</b>

## Analysis of Results

	<b>2008</b>	<b>2009(3 mths)</b>
	<b>%</b>	<b>%</b>
<b>Full Payment Commitments</b>	<b>64.4</b>	<b>47.4</b>
<b>Increased Monthly Payment</b>	<b>10.0</b>	<b>16.6</b>
<b>Interest Only Payment</b>	<b>5.2</b>	<b>5.6</b>
<b>Partial Payment (60% of mthly sub)</b>	<b>8.0</b>	<b>9.9</b>
<b>Nominal Payment (&lt;60% “ “ “ )</b>	<b>4.1</b>	<b>8.5</b>
<b>Irrecoverable</b>	<b>8.1</b>	<b>10.9</b>
<b>DSS Claim</b>	<b><u>0.2</u></b>	<b><u>1.1</u></b>
	<b>100.0</b>	<b>100.0</b>

# Reasons for Mortgage Arrears 2008

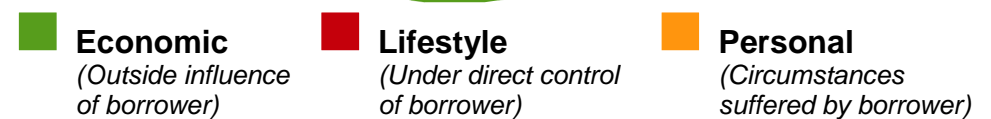
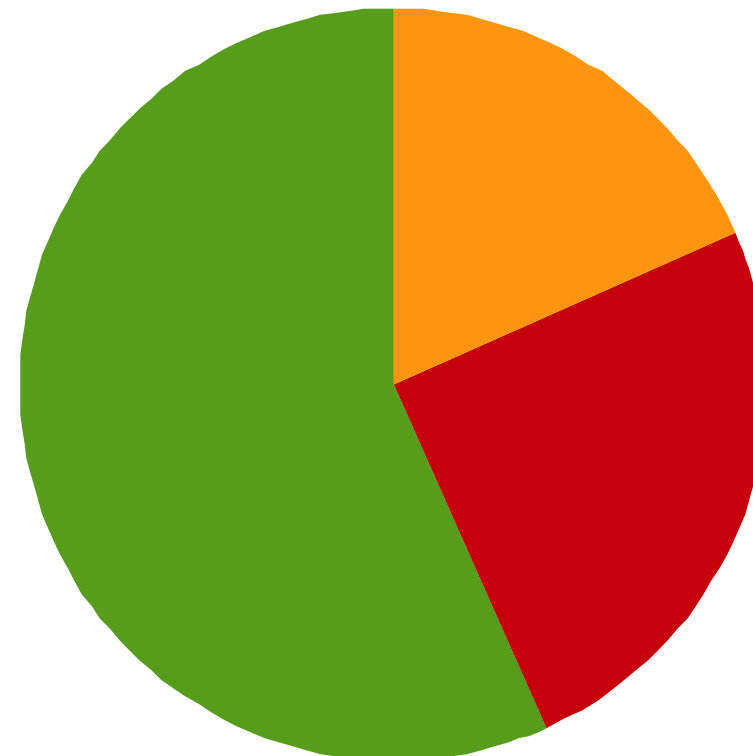
<b>Economic</b> <i>(Outside influence of borrower)</i>	<b>50.50 %</b>
Unemployment Resolved	8.00 %
Unemployment Unresolved	6.34 %
Reduced Income Resolved	17.87 %
Reduced Income Unresolved	18.29 %
<b>Lifestyle</b> <i>(Under direct control of borrower)</i>	<b>29.81 %</b>
Over Indebtedness Resolved	2.77 %
Over Indebtedness Unresolved	4.94 %
Financial Mismanagement	22.10 %
<b>Personal</b> <i>(Circumstances suffered by borrower)</i>	<b>19.69 %</b>
Ill Health Recovered	6.34 %
Ill Health Long Term	5.87 %
Relationship Breakdown	7.29 %
Other Reasons	0.19 %



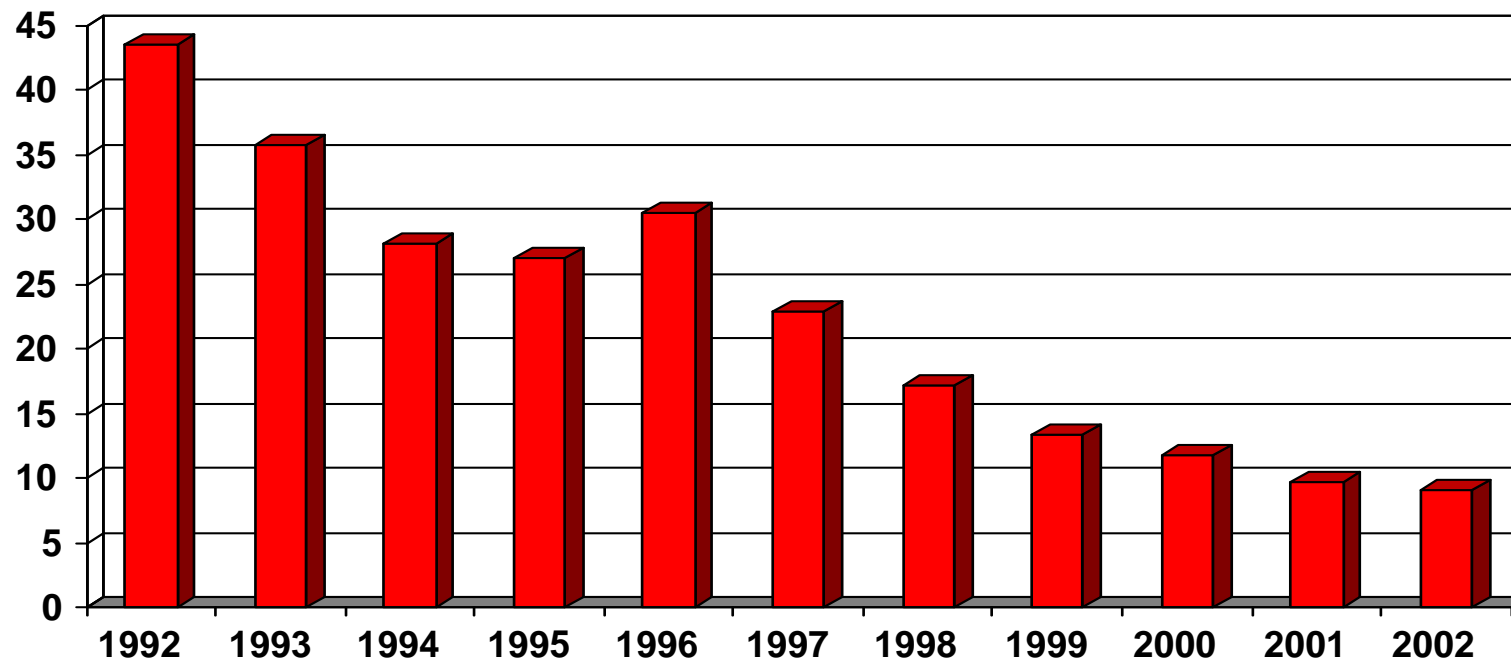
■ **Economic** *(Outside influence of borrower)*
■ **Lifestyle** *(Under direct control of borrower)*
■ **Personal** *(Circumstances suffered by borrower)*

# Reasons for Mortgage Arrears 1<sup>st</sup> Quarter 2009

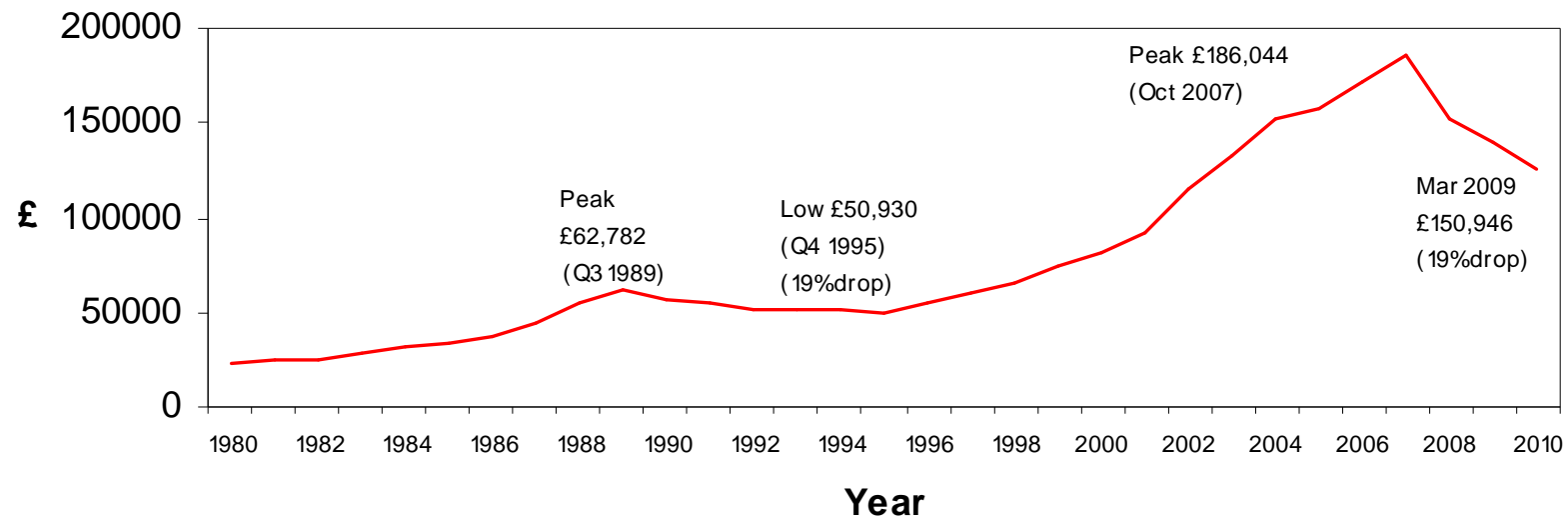
<b>Economic</b> <i>(Outside influence of borrower)</i>	<b>56.76 %</b>
Unemployment Resolved	7.97 %
Unemployment Unresolved	13.94 %
Reduced Income Resolved	15.86 %
Reduced Income Unresolved	18.99 %
<b>Lifestyle</b> <i>(Under direct control of borrower)</i>	<b>24.82 %</b>
Over Indebtedness Resolved	1.78 %
Over Indebtedness Unresolved	3.20 %
Financial Mismanagement	19.84 %
<b>Personal</b> <i>(Circumstances suffered by borrower)</i>	<b>18.43 %</b>
Ill Health Recovered	4.20 %
Ill Health Long Term	6.12 %
Relationship Breakdown	8.04 %
Other Reasons	0.07 %



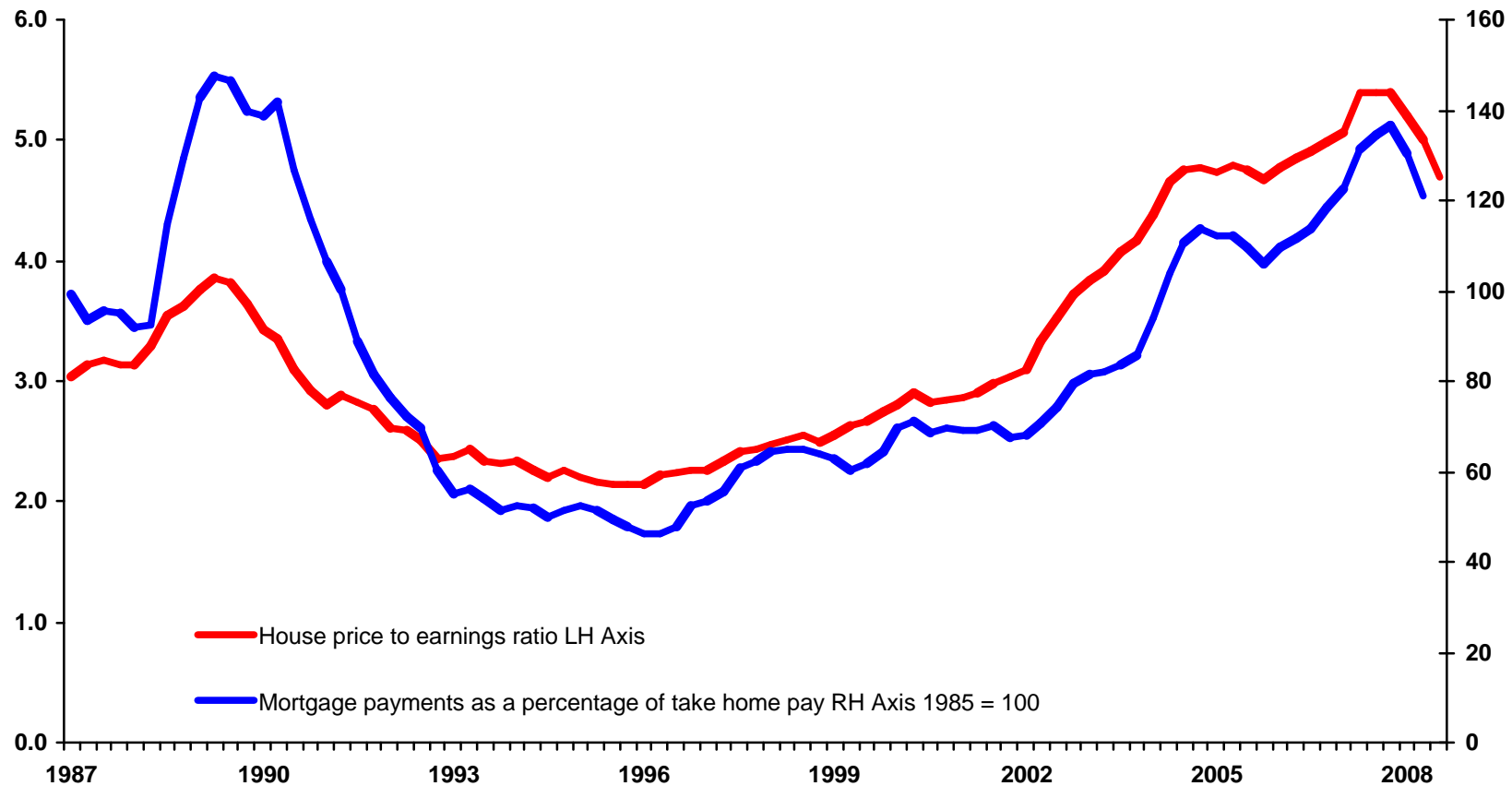
# Negative Equity Analysis as a percentage of Borrowers Counselling



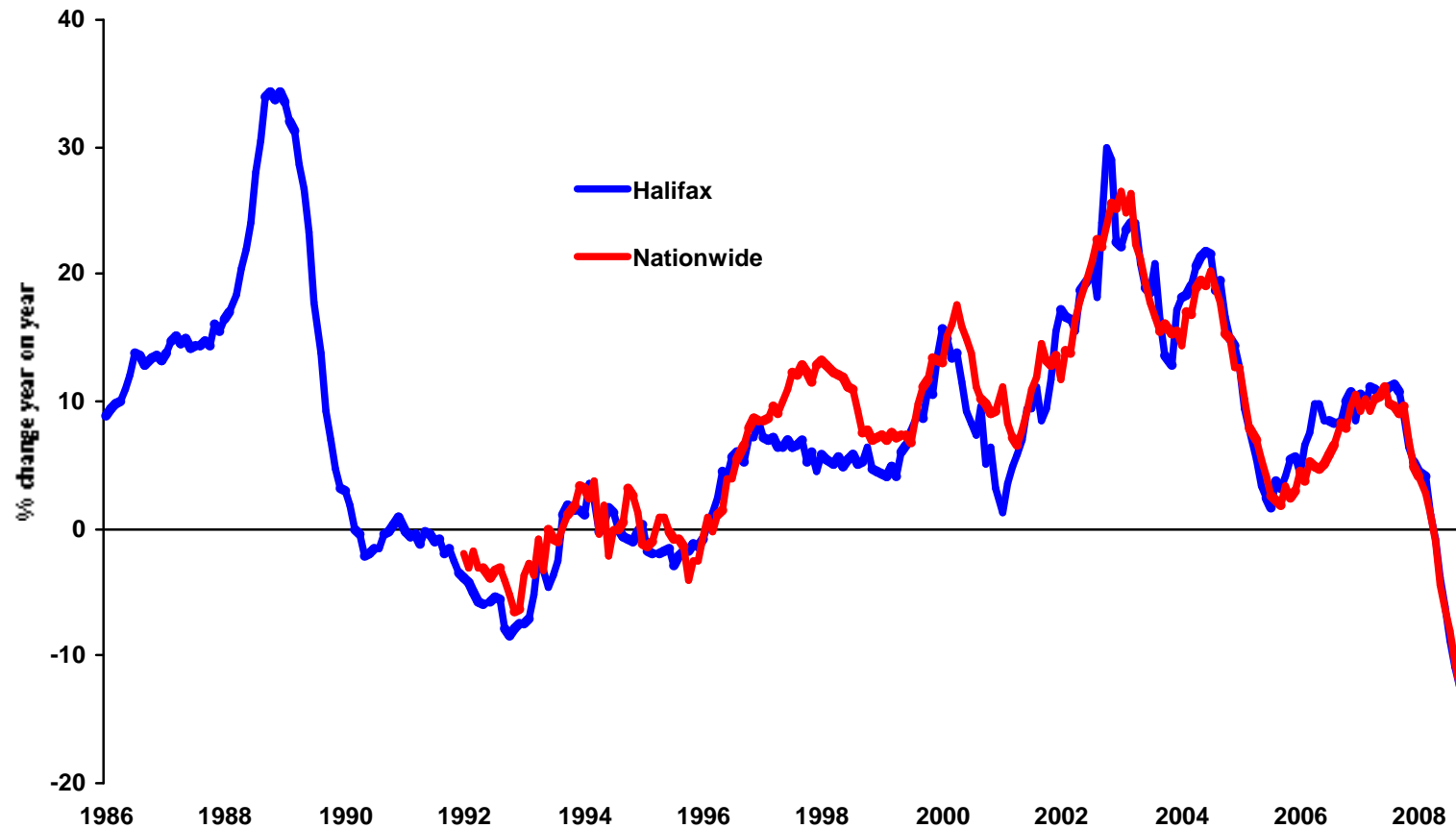
# Average House Prices (Source Nationwide)



# Affordability Looks High



# House Prices Falling Fast



## Conclusion

- The private sector covers areas not normally accessible to the voluntary and statutory sectors.
- Working together will avoid many homes being taken needlessly into possession.

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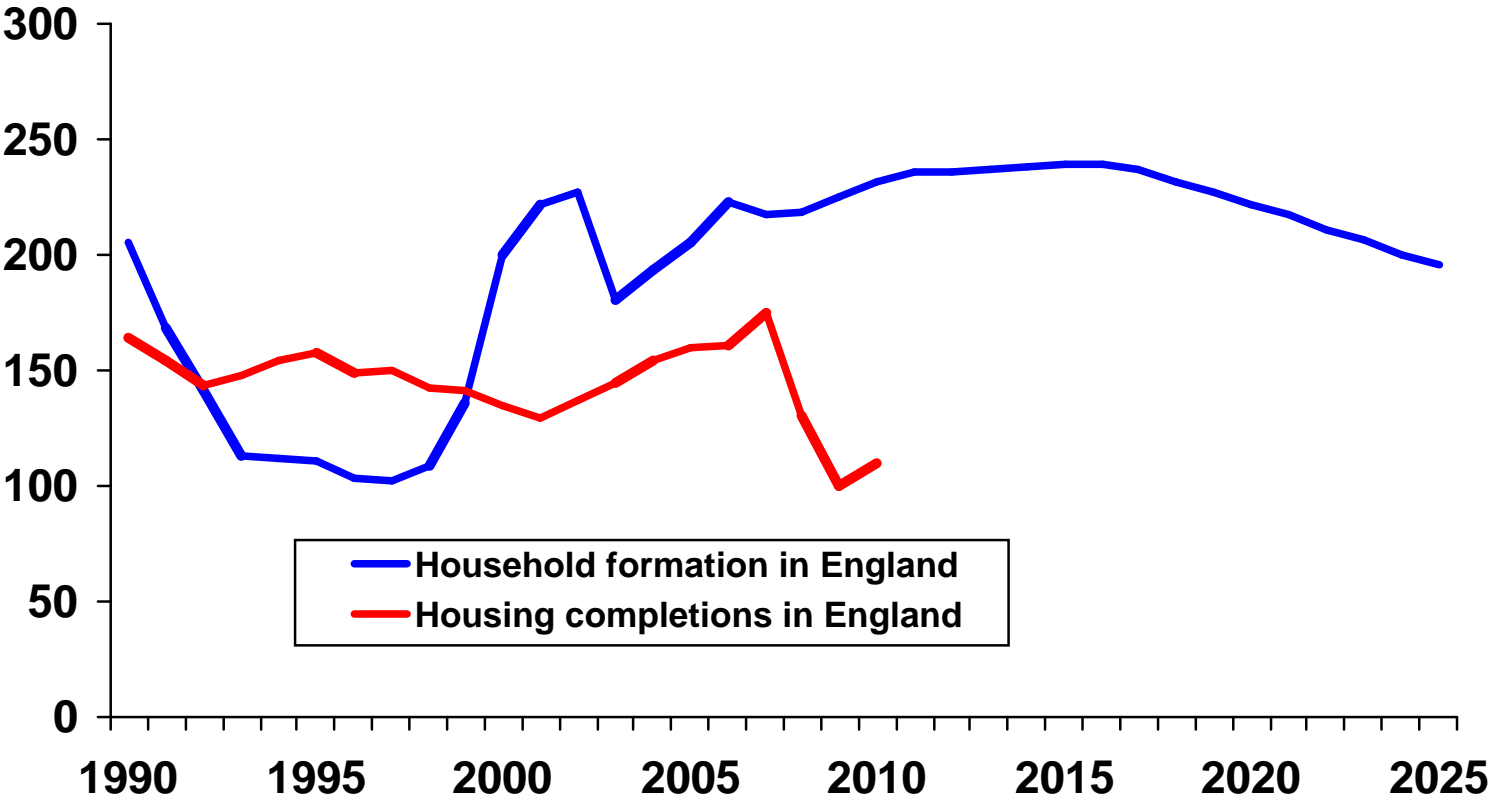




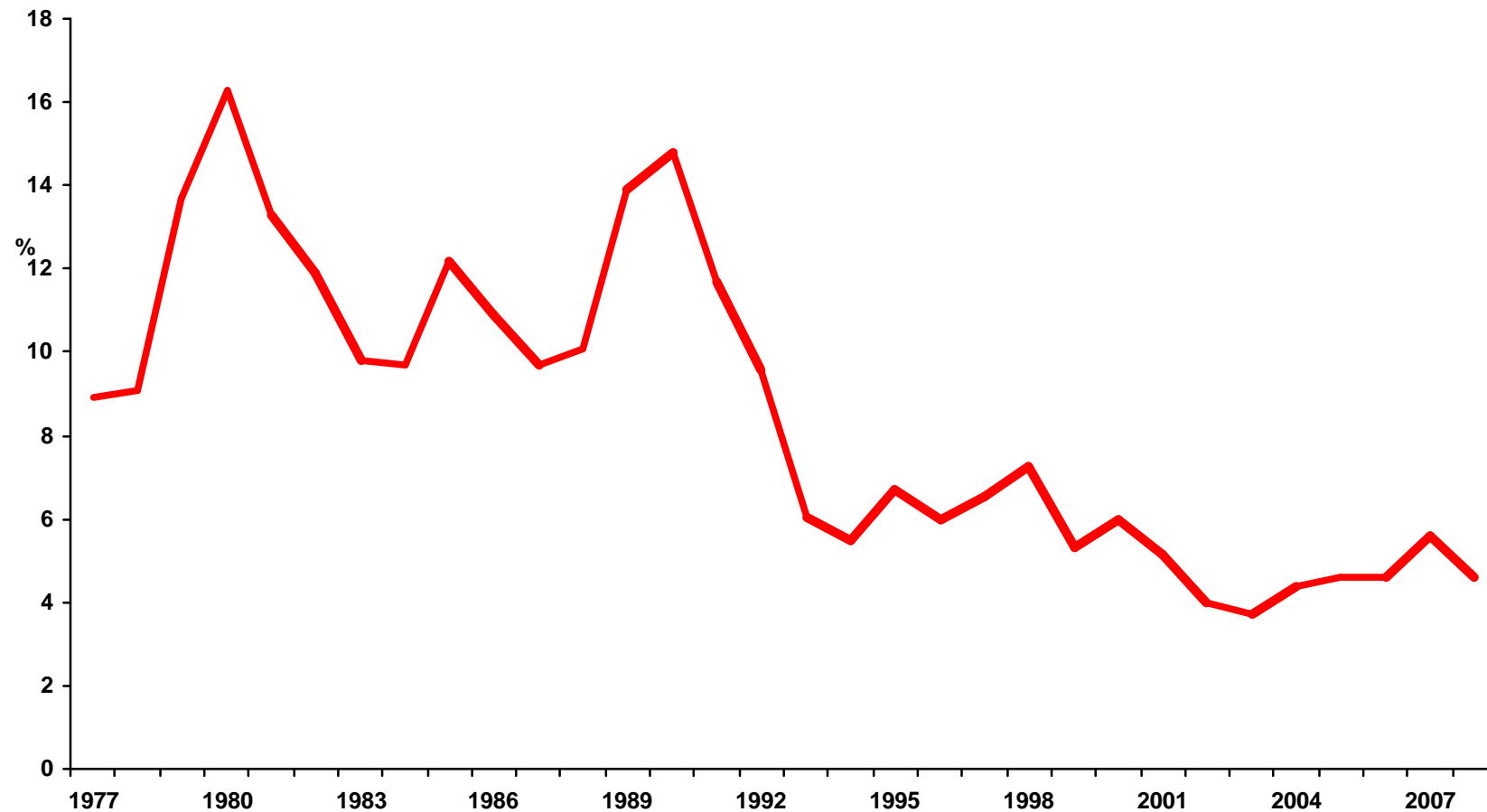
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# EXTRA SLIDES

# Housing - mind the gap



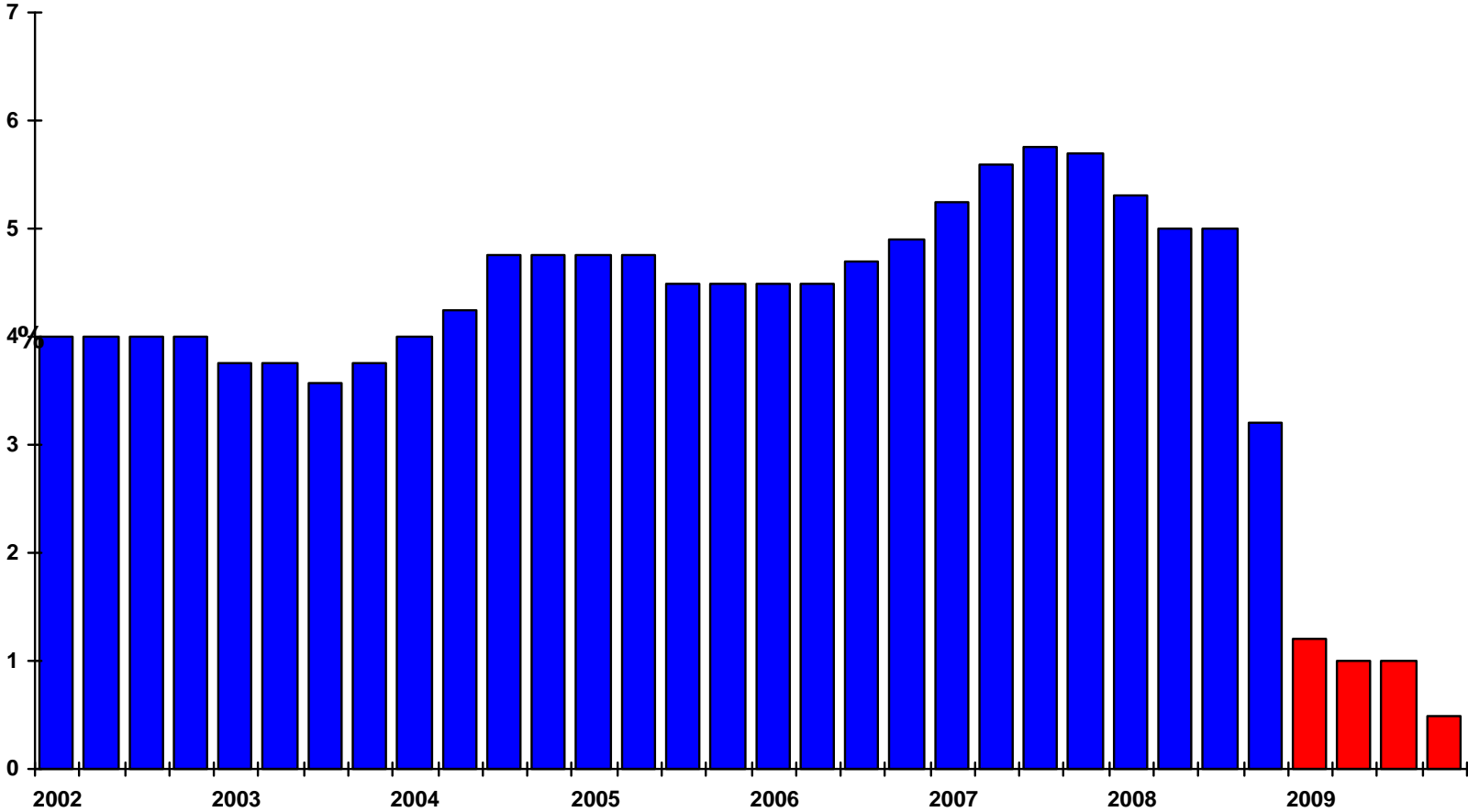
# Historically low interest rates



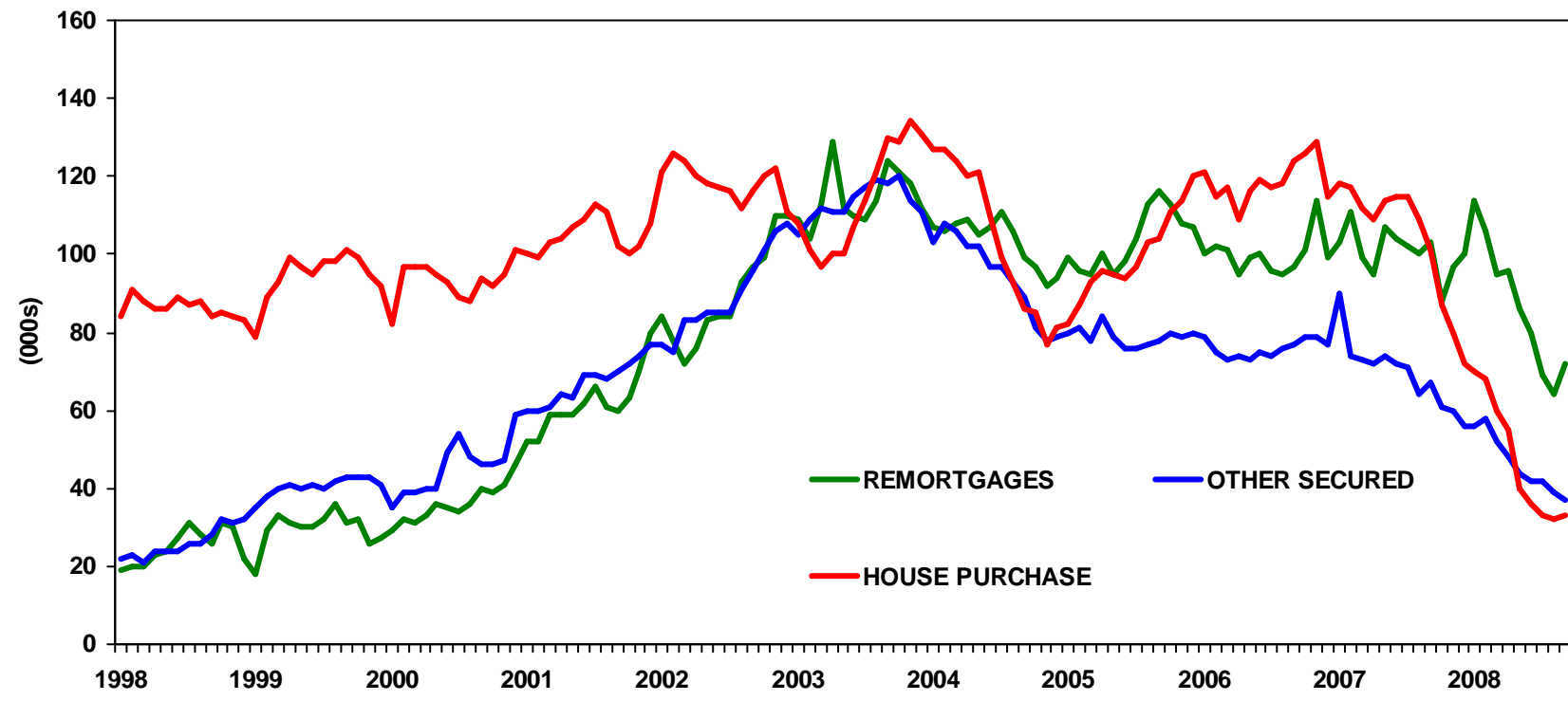


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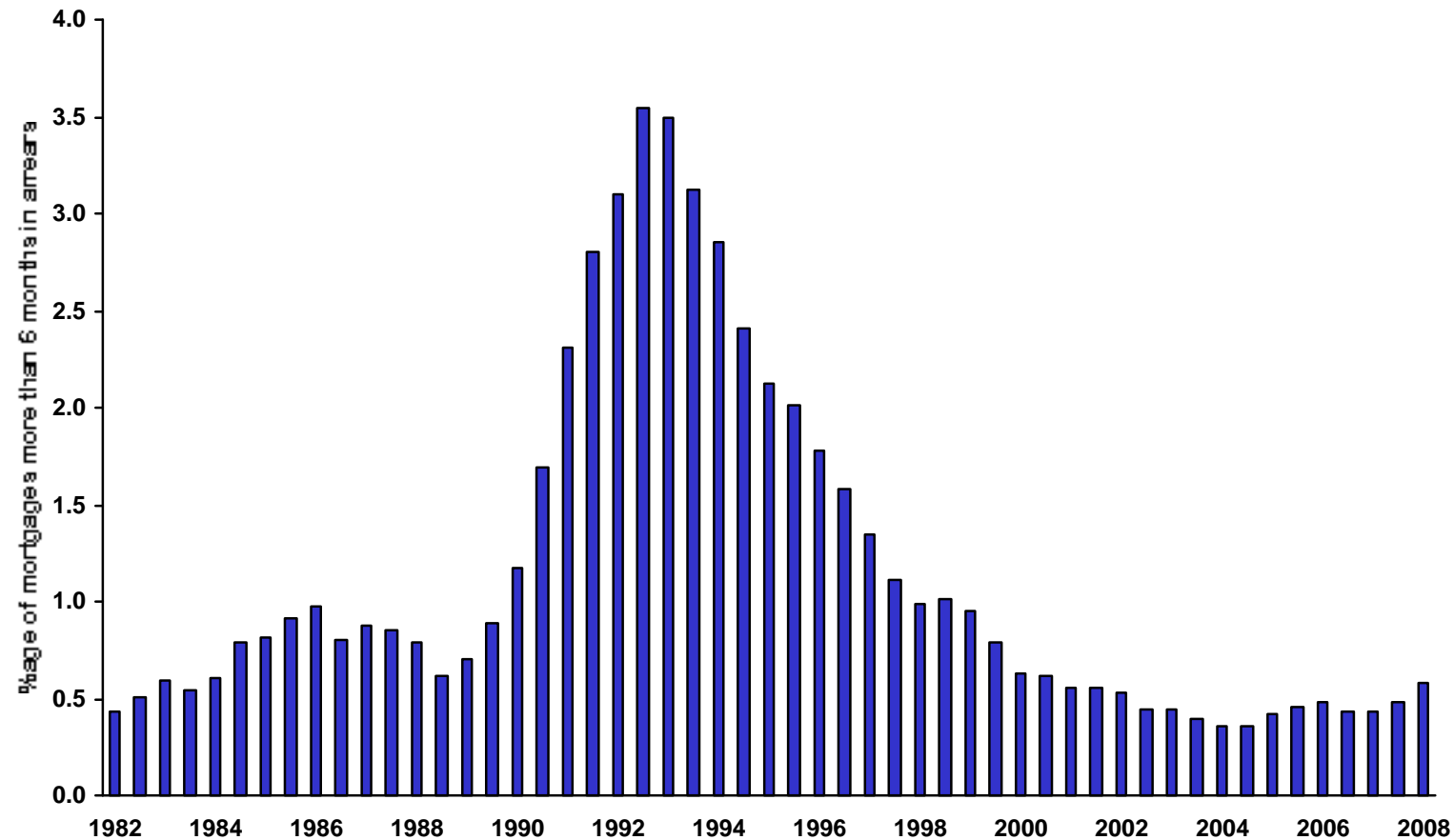
# Rates now at a 314 year low



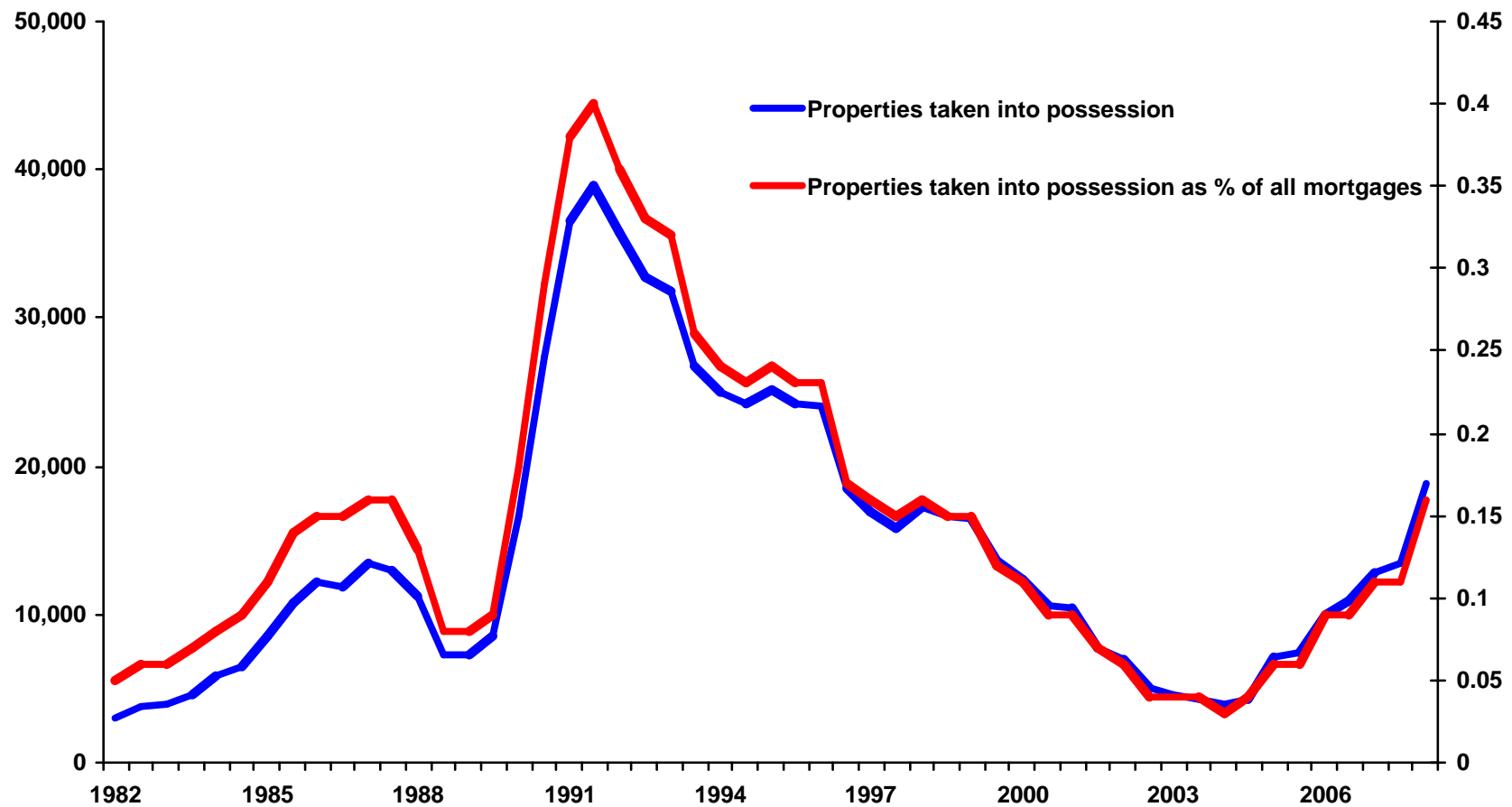
# Approvals at very low level



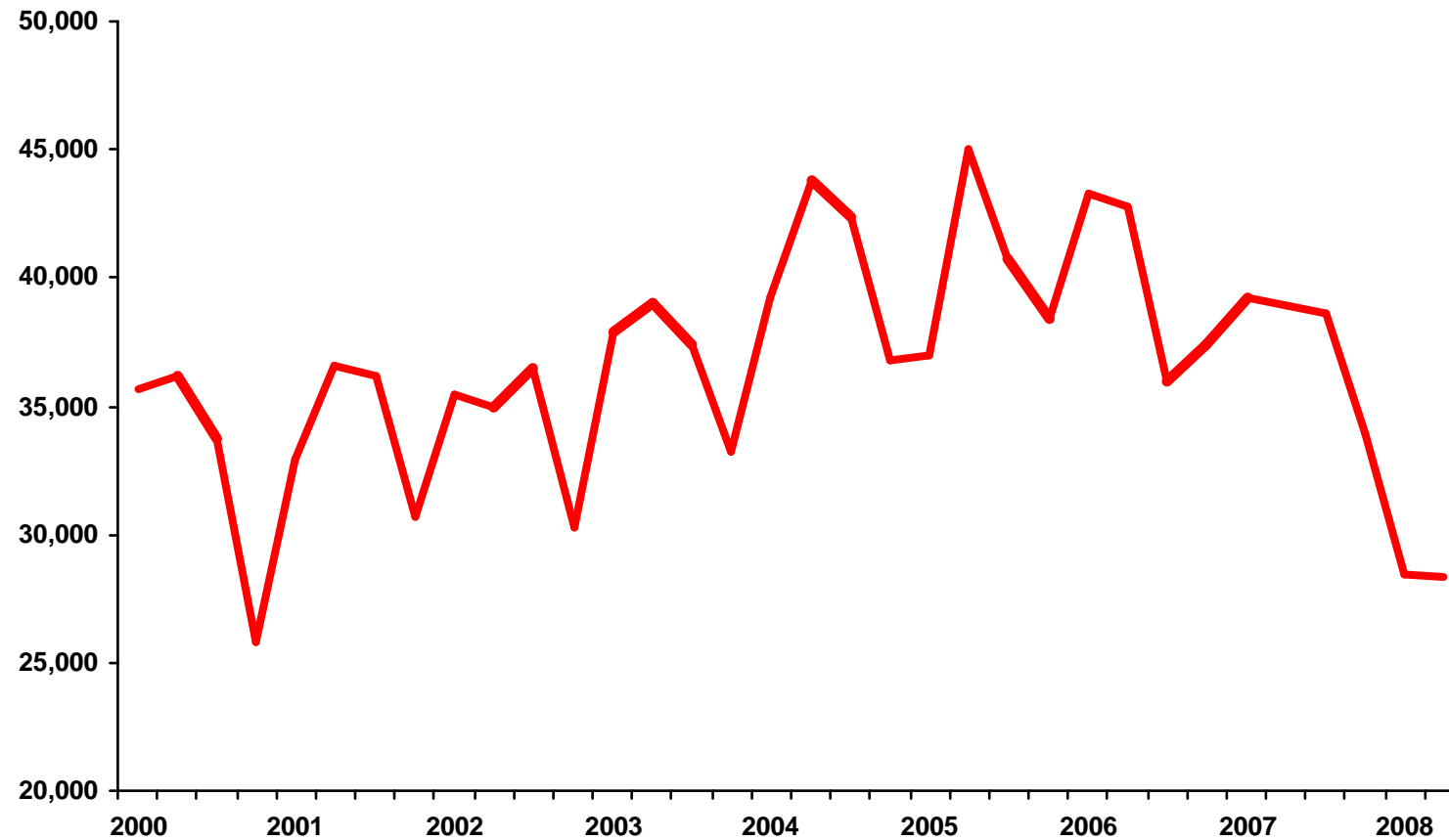
# Mortgage Arrears Historically Low



# Possessions are climbing



# Housing starts falling off



# United Kingdom Reasons for Arrears

Year:	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Unemployment (Resolved)	9.29	9.71	10.81	11.21	9.00	10.08	8.10	8.17	8.21	8.87	10.38	5.94	7.85	6.52	7.26	7.47	8.00
Unemployment (Unresolved)	15.54	14.10	14.25	12.85	14.45	12.86	9.37	8.59	8.48	8.24	8.26	5.45	5.69	5.57	6.12	5.49	6.34
Reduced Income (Resolved)	12.84	15.43	15.31	13.32	11.17	11.11	11.80	13.39	12.29	12.38	12.55	12.00	16.10	18.66	18.04	18.93	17.87
Reduced Income (Unresolved)	25.96	21.90	19.42	15.85	14.34	12.60	13.92	13.42	12.49	11.09	9.96	7.96	10.35	12.36	15.14	14.16	18.29
Over Indebtedness (Resolved)	2.16	2.72	2.51	2.28	1.98	1.67	1.85	2.29	2.93	2.17	1.70	1.41	1.98	1.84	2.03	2.64	2.77
Over Indebtedness (Unresolved)	4.68	4.11	3.94	3.76	3.48	3.39	4.10	5.37	5.52	4.61	3.98	1.83	3.24	3.96	4.65	4.50	4.94
Financial Mismanagement	7.69	9.02	12.03	15.02	15.84	17.93	17.94	18.81	19.66	23.40	23.50	20.32	24.69	22.13	22.44	26.53	22.10
Relationship Breakdown	8.62	9.93	10.25	12.02	12.88	13.16	12.01	10.80	11.00	11.09	8.66	6.73	7.28	7.94	7.79	6.53	7.29
Ill Health (Recovered)	2.40	1.81	1.79	2.38	3.00	3.51	3.91	3.62	4.64	4.46	5.57	5.14	5.75	6.20	6.28	7.06	6.34
Ill Health (Long-term)	2.58	2.37	2.92	3.37	3.26	5.23	4.95	4.90	5.32	5.10	4.18	2.94	5.75	5.36	6.46	6.07	5.87
Other Reasons	8.24	8.90	6.77	7.94	10.60	8.46	12.05	10.64	9.46	8.59	11.26	30.27	11.32	9.46	3.79	0.62	0.19

Notes:

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

All figures shown in percentage form.

Year:	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Economic (Outside influence of borrower)	63.63	61.14	59.79	53.23	48.96	46.65	43.19	43.57	41.47	40.58	41.15	31.35	39.99	43.11	46.56	46.05	50.50
Lifestyle (Under direct control of borrower)	14.53	15.85	18.48	21.06	21.30	22.99	23.89	26.47	28.11	30.18	29.18	23.57	29.91	27.93	29.12	33.67	29.81
Personal (Circumstances suffered by borrower)	21.84	23.01	21.73	25.71	29.74	30.36	32.92	29.96	30.42	29.24	29.67	45.08	30.10	28.96	24.32	20.28	19.69



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