



COUNCIL of MORTGAGE
LENDERS

CML urges government to renew its commitment to home-owners

20/11/2006

The Council of Mortgage Lenders today urges the government to increase support for mortgage borrowers who fall into payment difficulties and renew its commitment to sustainable home-ownership - with an aim of enhancing the safety-net for home-buyers and minimising the numbers of arrears and repossessions.

In its pre-Budget report, the CML points out that more than half the UK's poor are home-owners, but the government's safety-net measures are strongly tilted towards people in other forms of tenure. The CML believes that one way the government can redress this balance is by increasing the £100,000 maximum mortgage sum eligible for income support for mortgage interest - a benefit that can help pay the interest on the mortgage of a struggling borrower. This threshold has not been increased since 1995, so the overall level of support available for home-owners is currently at its lowest level for over 20 years.

The CML's pre-Budget report also urges the government to:

- Reform the current "slab" structure of stamp duty. The current system creates inefficiencies in the housing market and undermines the government's efforts to get would-be home-owners on to the property ladder.
- Ensure there are enough energy assessors to deliver the energy performance certificate part of home information packs. If there is a delay which causes a shortfall in the number of assessors it could impact on the delivery of the packs and ultimately have a negative effect on the market.

Commenting on today's proposals, CML head of research and information Bob Pannell said:

"Home-ownership is far and away the most popular tenure in the UK. But it is surprising that at a time when the government is promoting the wider benefits of home-ownership, the safety-nets it has in place to help struggling home-owners are being neglected."

"We strongly urge the government to demonstrate its commitment to sustainable home-ownership by reviewing how the benefits system helps home-owners who find themselves in difficulty."

Notes to editors

1. The Council of Mortgage Lenders' members are banks, building societies and other lenders who together undertake around 98% of all residential mortgage lending in the UK. There are 11.6 million mortgages in the UK, with loans worth over £1 trillion.

Documents

- [Pre-Budget report 2006](#)

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