



RESEARCH

in association with

Association of



Mortgage Intermediaries

**AMI Questions**

**Wave 12 – April 2006**

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The logo for the Mortgage Intermediary Census, featuring the words "mortgage intermediary" in a smaller font above the word "census" in a larger, bold font, all contained within a dark brown circle.

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## Home Information Packs

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- The AMI questions this month focused on Home Information Packs (HIPs)
- Questions were placed on April's Mortgage Intermediary Census and fieldwork was conducted during 18<sup>th</sup> – 28<sup>rd</sup> April 2006
- **223** Mortgage Intermediaries responded to the survey

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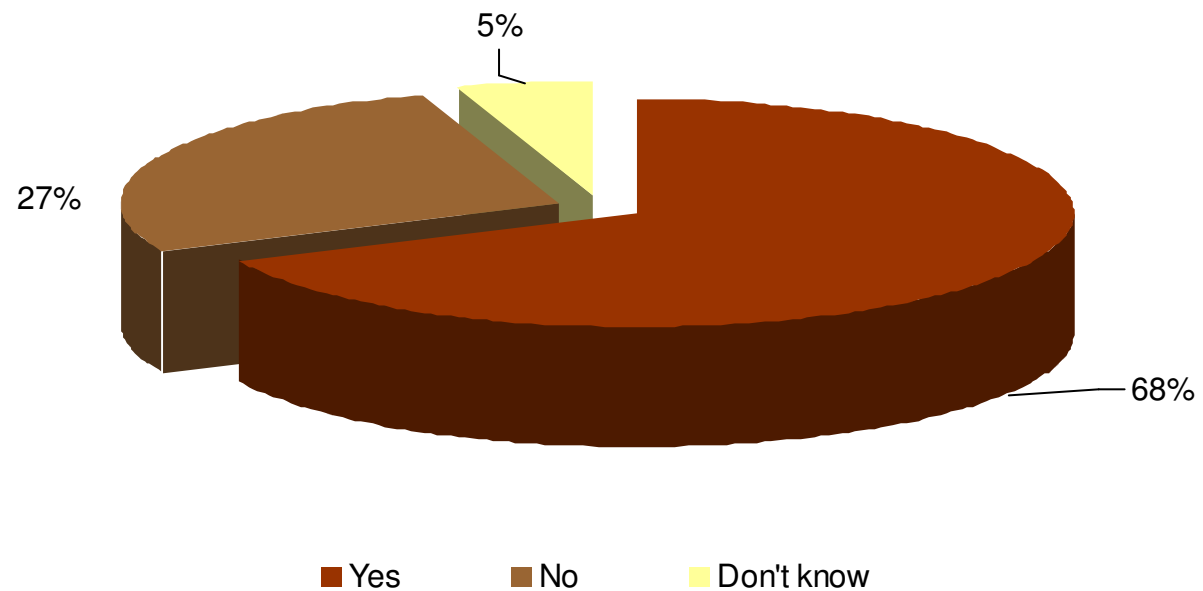


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## Consideration of how HIPS will affect business

Over two-thirds of intermediaries have thought about how the introduction of HIPS will affect their business, however, almost a third have not



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Q01 – Have you already started to consider how the introduction of Home Information Packs (HIPS) will affect your business?

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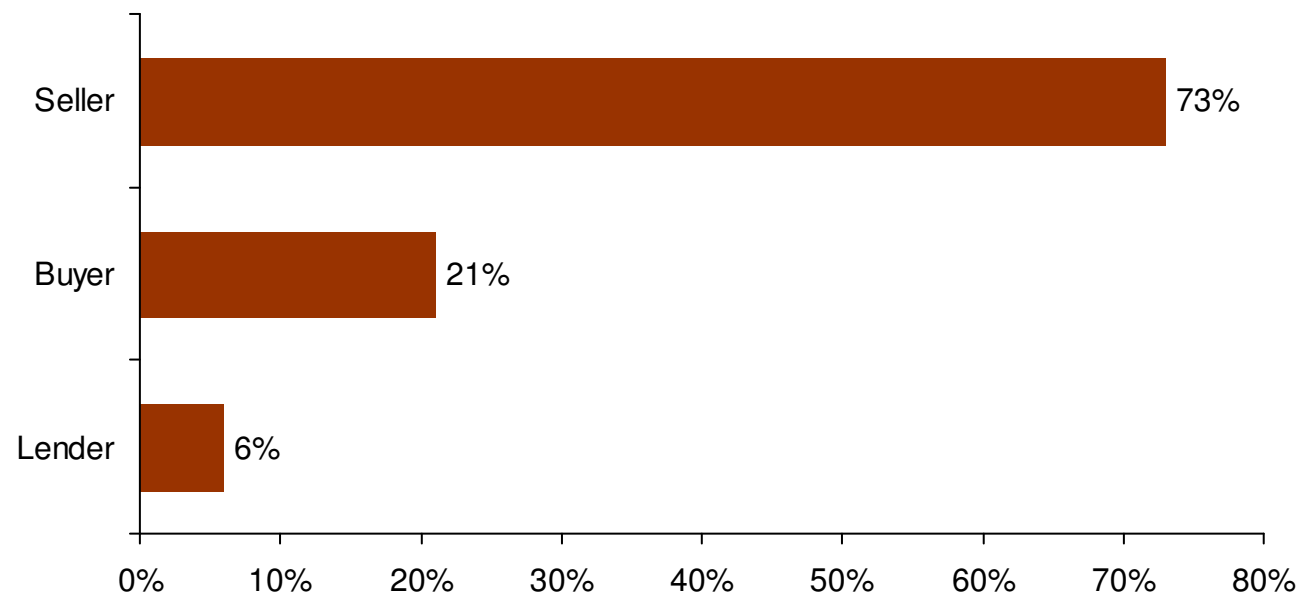
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## Who should pay HIP costs?

The seller should pay the HIP costs according to two-thirds of respondents; only 6% of intermediaries believe the lender should pay the costs



Base – April 2006 – 223

Q02 – A HIP is expected to cost approximately £600 (Source: ODPM). Who should pay these costs?

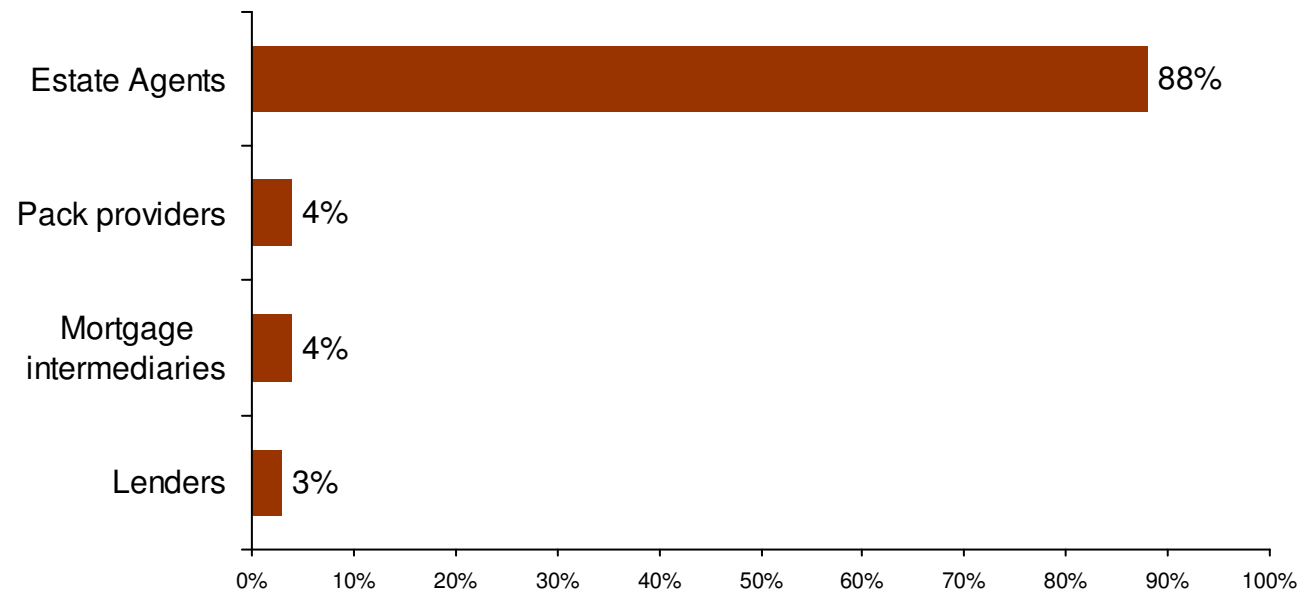
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## Who will sellers approach first to arrange HIPs?

Just under nine-tenths of intermediaries expect home sellers to approach estate agents first when looking to arrange their HIPs



Base – April 2006 – 223

Q03 - Who do you expect home sellers will approach first in order to arrange their HIPs?

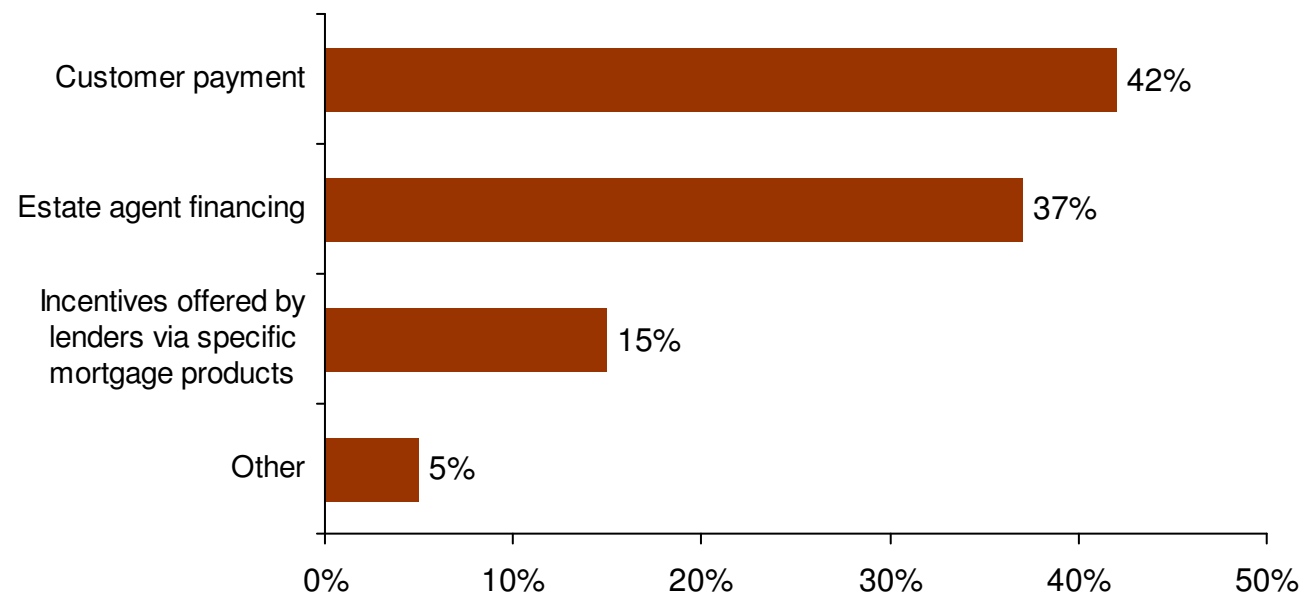
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## How HIPs will be funded

Respondents view “Customer Payment” and “Estate Agent Financing” as the two most likely ways for HIPs to be financed



Base – April 2006 – 223  
Q04 - How do you predict HIPs will be financed?

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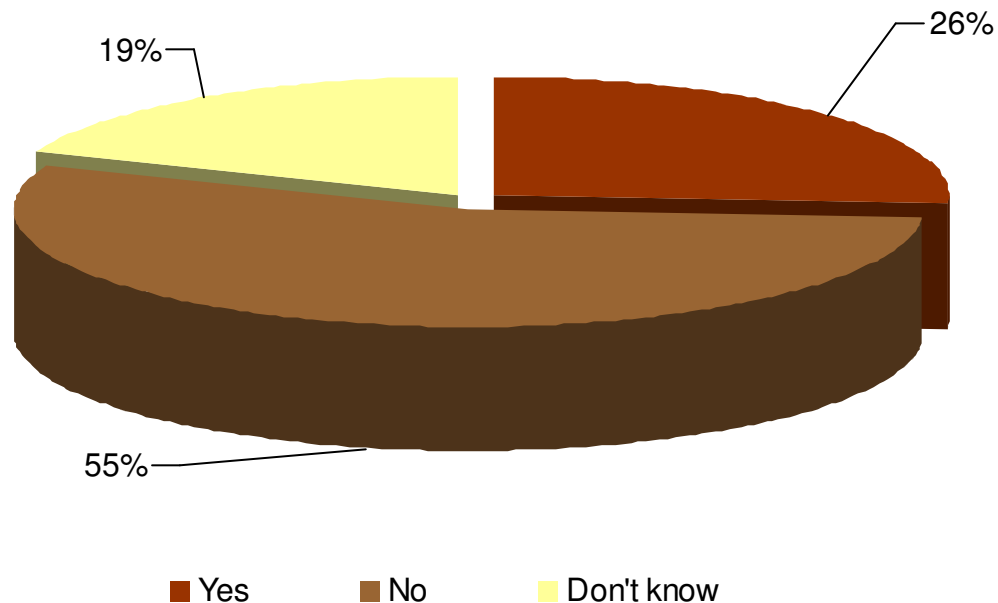


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## Higher mortgage interest rate to gain a free HIP

Over half of intermediaries believe their clients would not be willing to accept higher interest rates on their mortgages in order to receive a free HIP.



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Q05 - Do you think your clients would be willing to pay a higher interest rate on their mortgage to gain a free HIP?

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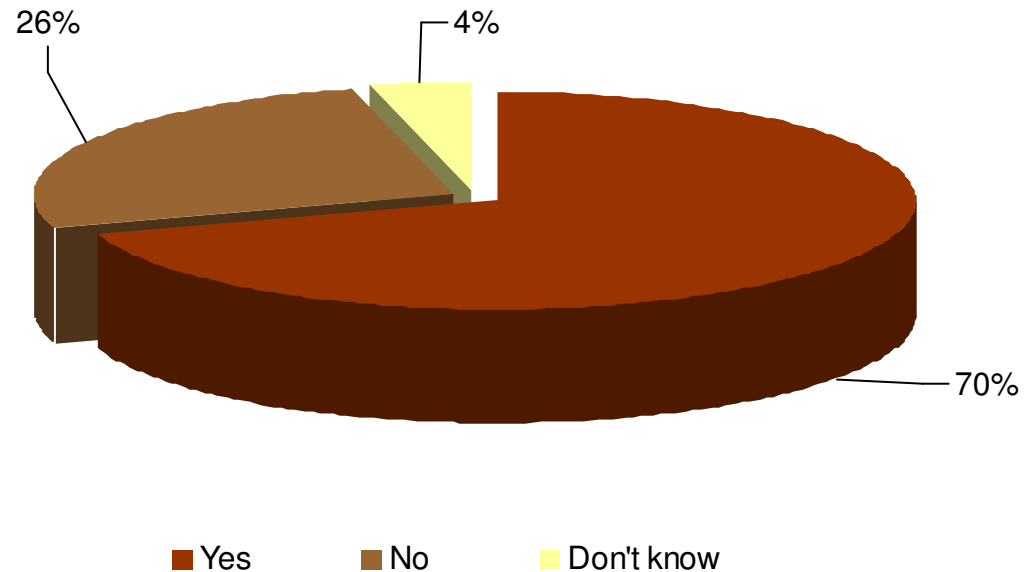


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## Should the HIP include a valuation

Just under three-quarters of respondents believe the HIP should include a valuation, while one-quarter suggest it should not



Base – April 2006 – 223  
Q06 - Should the HIP include a valuation?

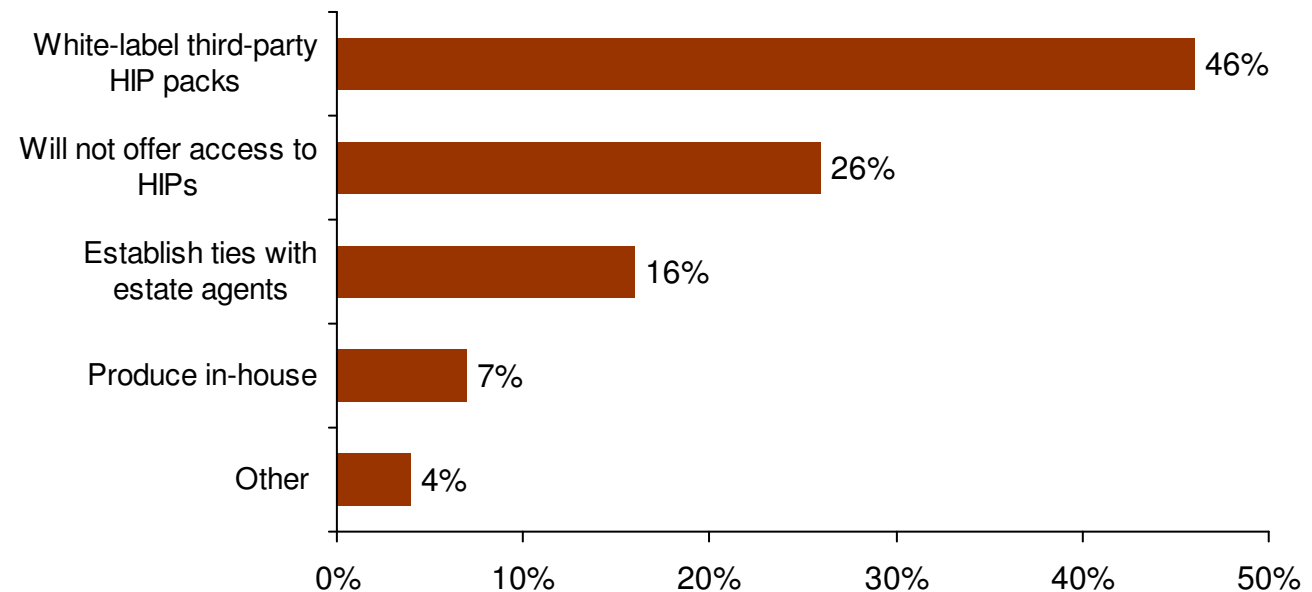
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## Meeting client HIP demands

While around one-half of mortgage intermediaries intend to offer “White-label third party HIP packs,” 26% will not be offering access to HIPS at all



Base – April 2006 – 223  
Q07 - How do you anticipate meeting clients' demand for HIPs?

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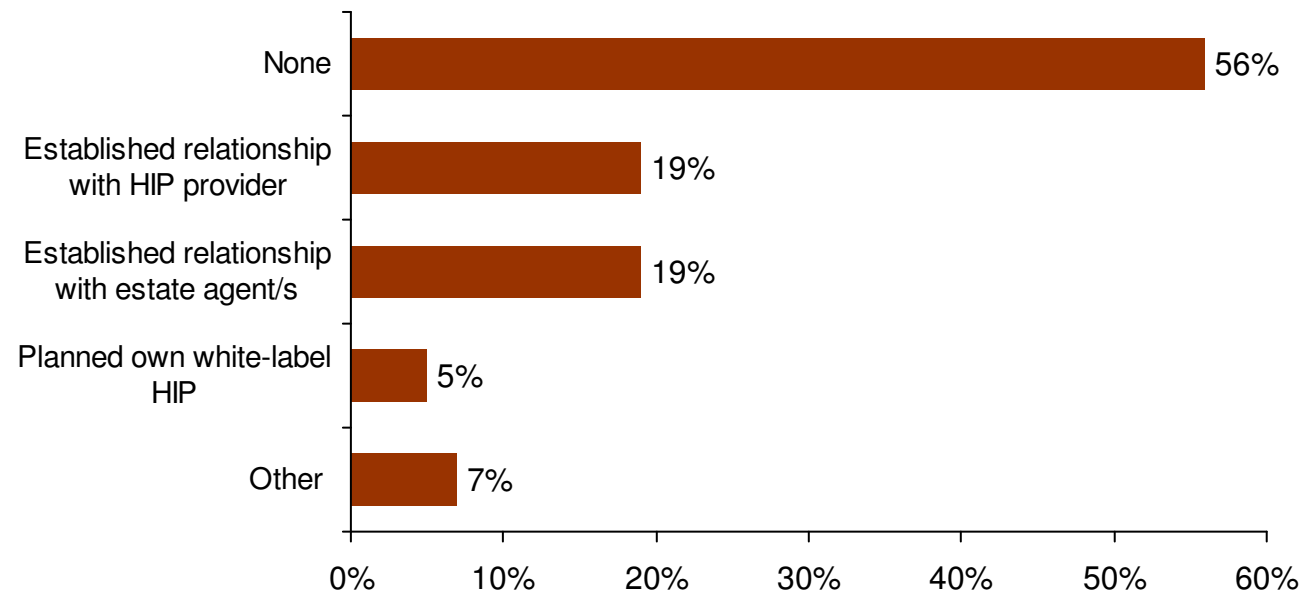
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## Intermediary action in relation to HIP provision

Over half of all intermediaries have made no provision for HIPs, while 19% have already established a relationship with a HIP provider.



Base – April 2006 – 223

Q08 - What action have you already taken in relation to HIP provision?