



RESEARCH

in association with

Association of



Mortgage Intermediaries

AMI Questions

Wave 13 – May 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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Agreement and Decision in Principle

- The AMI questions this month focused on “Agreement in Principle (AIP) and Decision in Principle (DIP)”
- Questions were placed on May’s Mortgage Intermediary Census and fieldwork was conducted during 16th – 26rd May 2006
- **180** Mortgage Intermediaries responded to the survey

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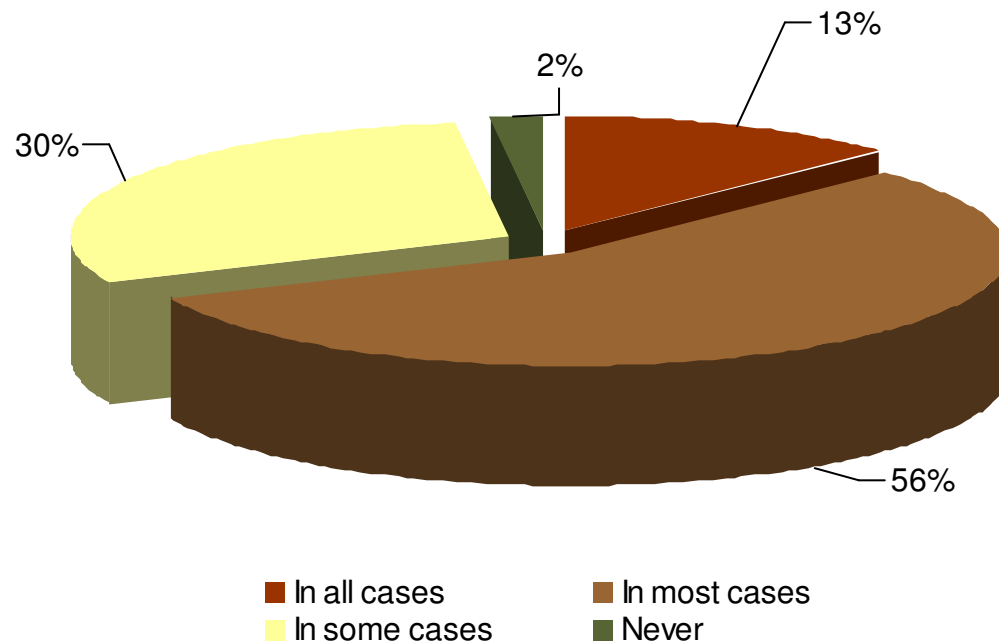


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Frequency of AIP/DIP attainment

Over two-thirds of intermediaries obtain an AIP/DIP in “all or most cases” for their clients before submitting an application form to the lender



Base – May 2006 – 180

Q01 – How often do you obtain an AIP/DIP for your clients before submitting an application form to the lender?

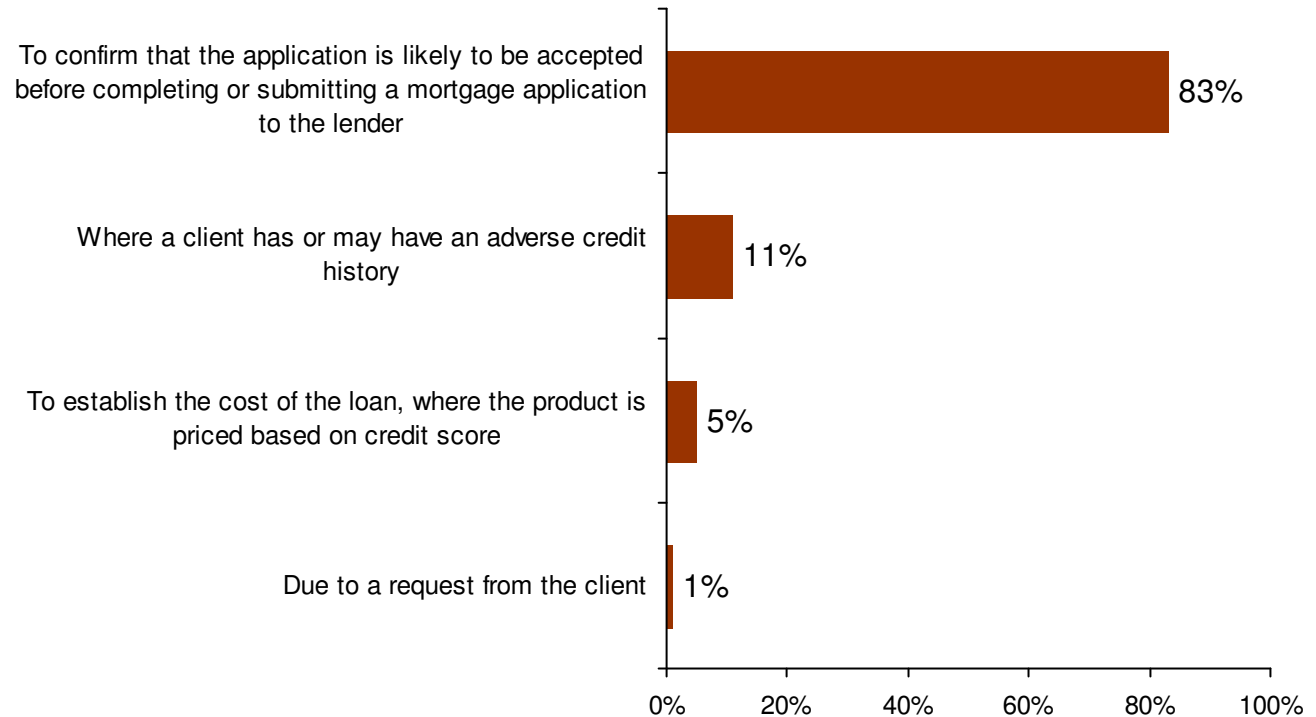
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Reason for Obtaining AIP/DIP for clients

Over eight-tenths of respondents state their main reason for obtaining an AIP/DIP is to confirm that the application is likely to be accepted pre-submitting to the lender



Base – May 2006 – 180

Q02 – What is the most common reason for you to obtain an AIP/DIP for your clients?

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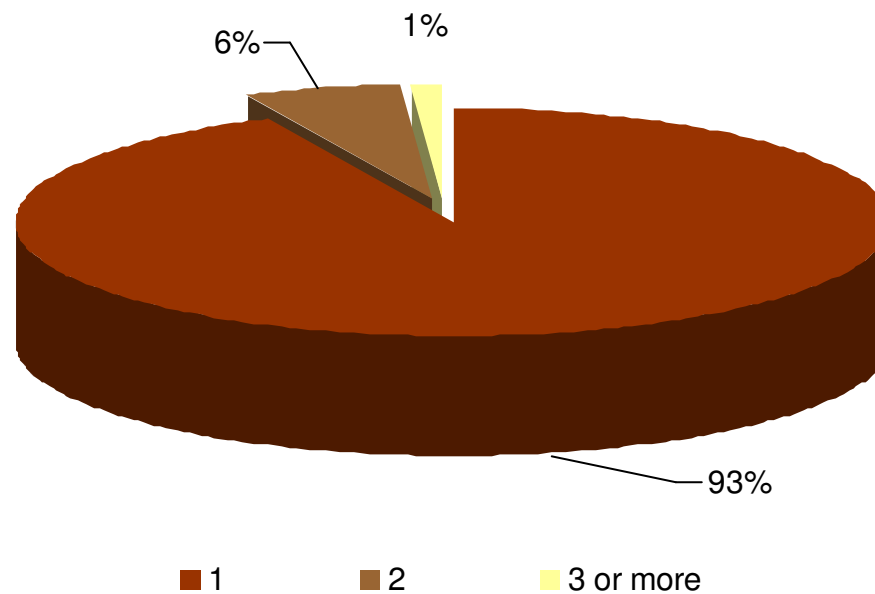


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Number of AIPs/DIPs obtained per client

Obtaining more than one AIP/DIP per client is the exception rather than the rule



Base – May 2006 – 180

Q03 – On average, how many AIPs/DIPs do you obtain for each client?

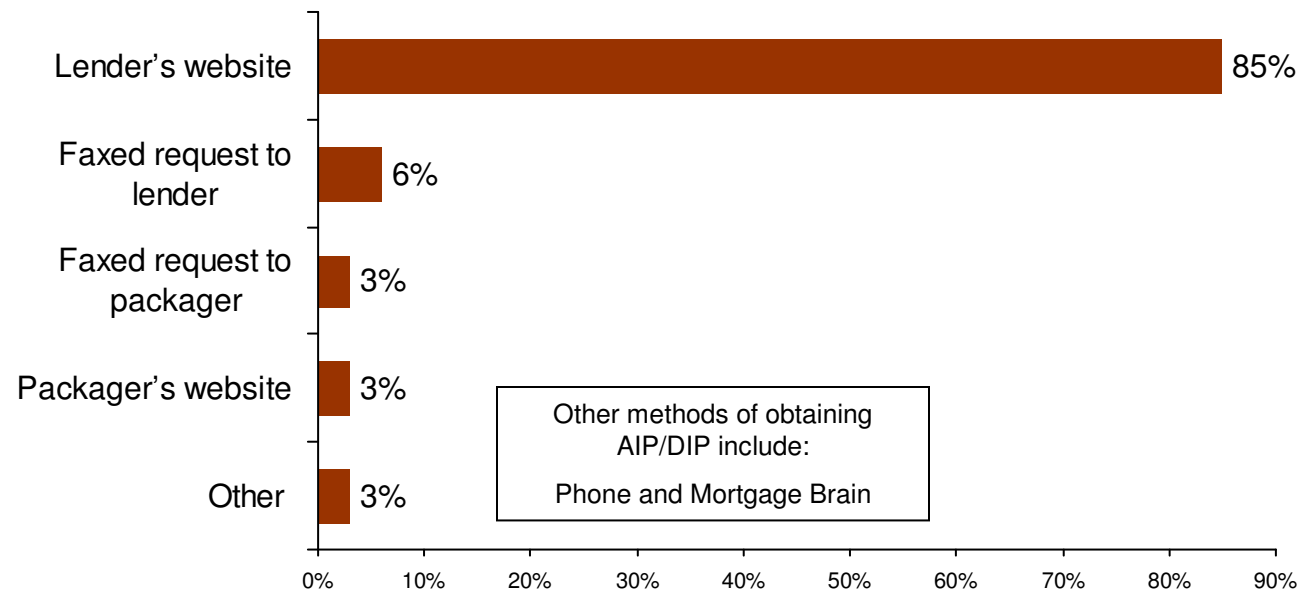
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Method of obtaining AIP/DIP

Using the lender's website is by far the most popular method of obtaining and AIP/DIP



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Q04 - Which method of obtaining the AIP/DIP do you use most often?

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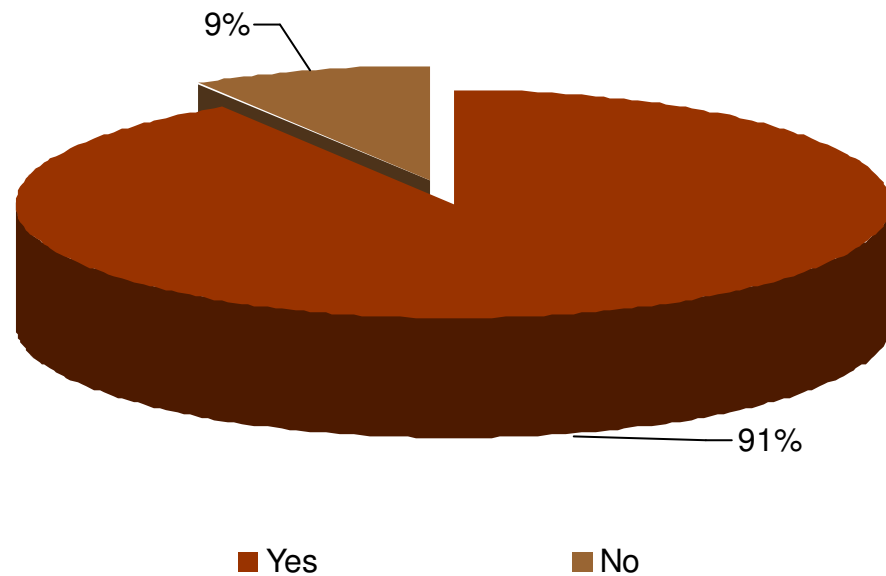
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Lender “Hard” footprint awareness

Only 9% of intermediaries were unaware that lenders are obliged to leave a “hard” footprint on the applicant’s credit file when a search is undertaken as part of a AIP/DIP request



Base – May 2006 – 180

Q05 – Before completing this survey, were you aware that lenders are obliged to leave a 'hard' footprint (that is one which can be seen by other lenders in future) on the applicant's credit file when a search is undertaken as a result of a DIP/AIP request?

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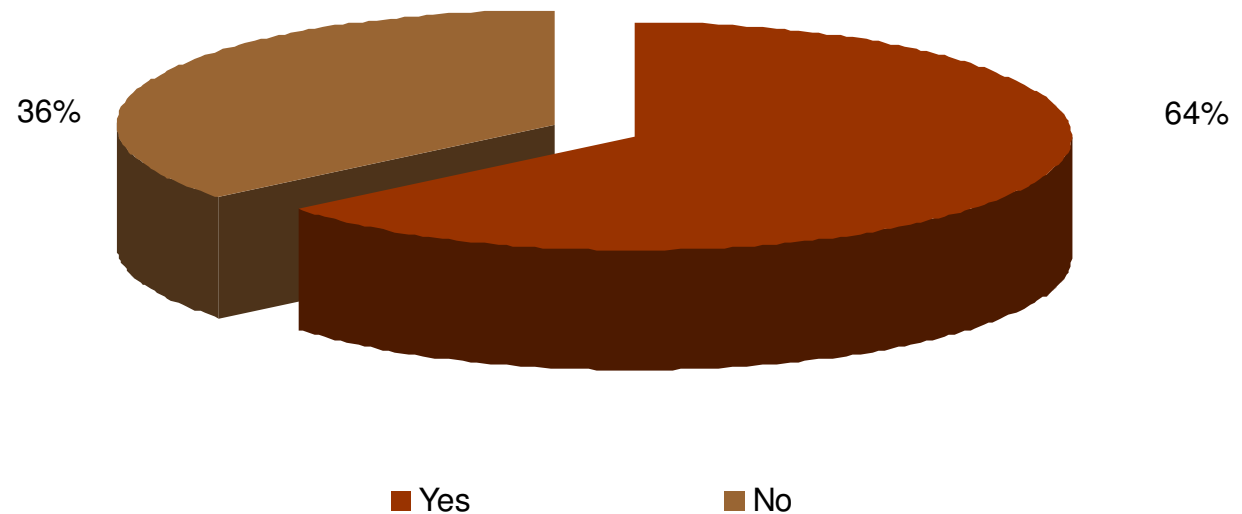
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Lender “Soft” footprint awareness

However, only two-thirds of respondents were aware that lenders are obliged to leave a “soft” footprint where a credit search is carried out only to provide an illustration



Base – May 2006 – 180

Q06 - Before completing this survey, were you aware that lenders are obliged to leave only a 'soft' footprint where a credit search is carried out only to provide an illustration? (This can only be done where the price of the product is based on the customer's credit history.) 7

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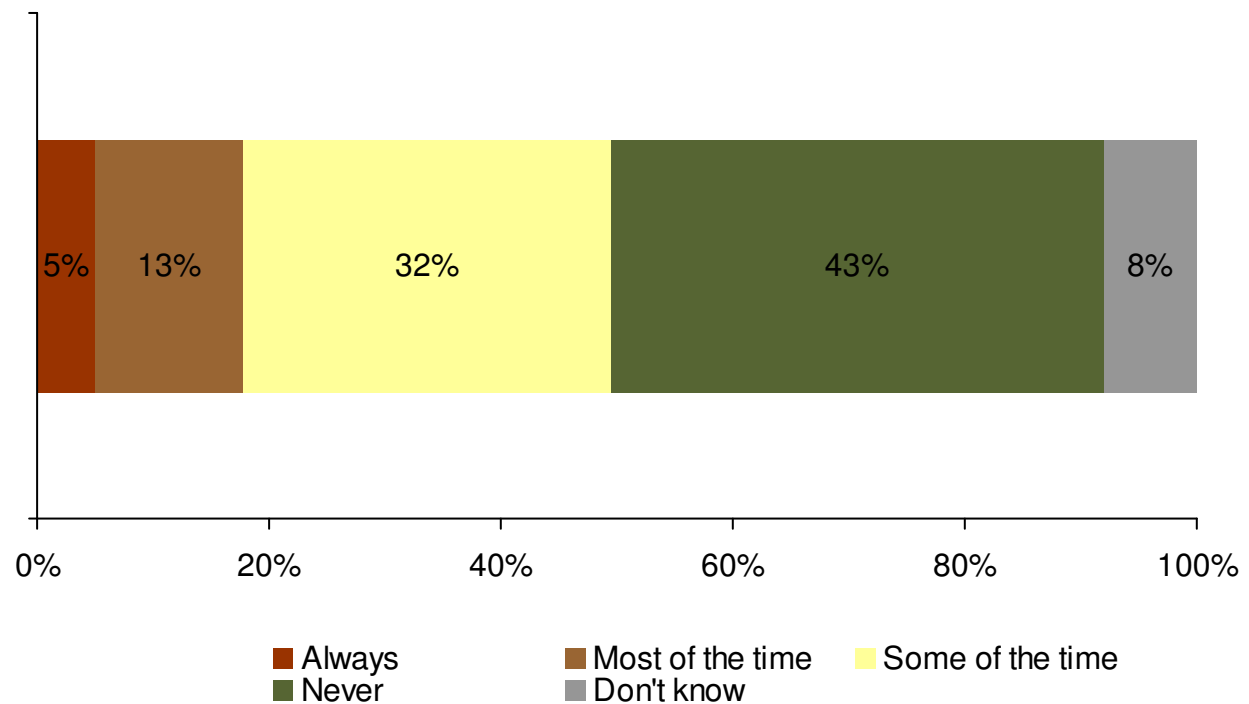


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Frequency of lender footprint indication

Over two-fifths of intermediaries have never seen a clear indication of which footprint will be left on their client's credit file by the lender



Base – May 2006 – 180

Q07 - In general, how often do lender's AIP/DIP forms and website requests make it clear to you as the intermediary which type of footprint will be left on the client's credit file by the AIP/DIP?

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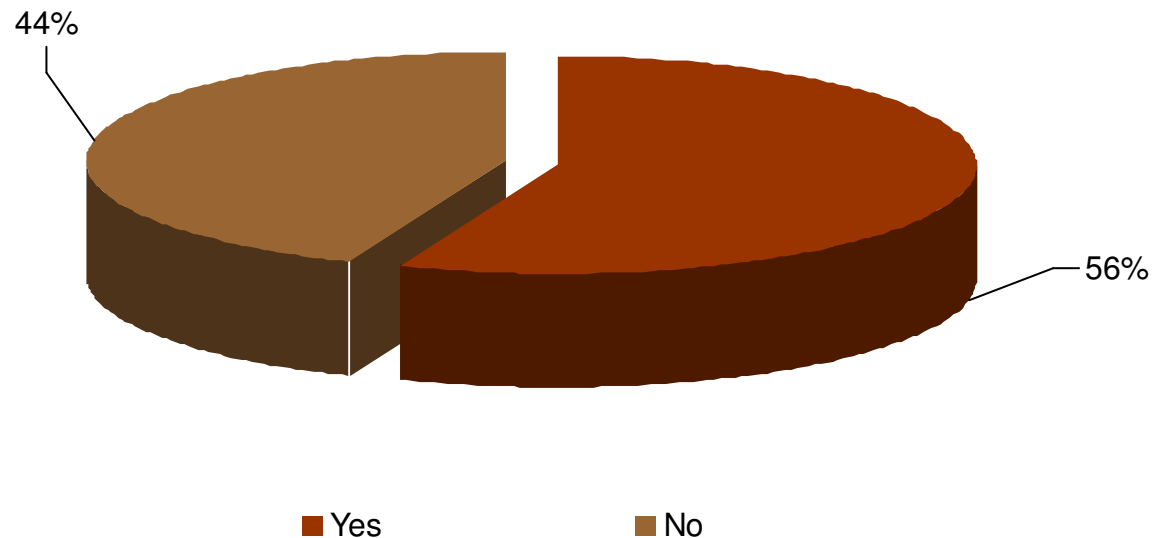


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Application information obtaining difficulties Pre-completion

Nearly three-fifths of intermediaries have experienced difficulties in trying to obtain information about a clients mortgage from a lender pre-completion



Base – May 2006 – 180

Q08 - Have you ever experienced difficulties in trying to obtain information about your client's mortgage from a lender between submitting the application and completion, even though the application was submitted through your firm?

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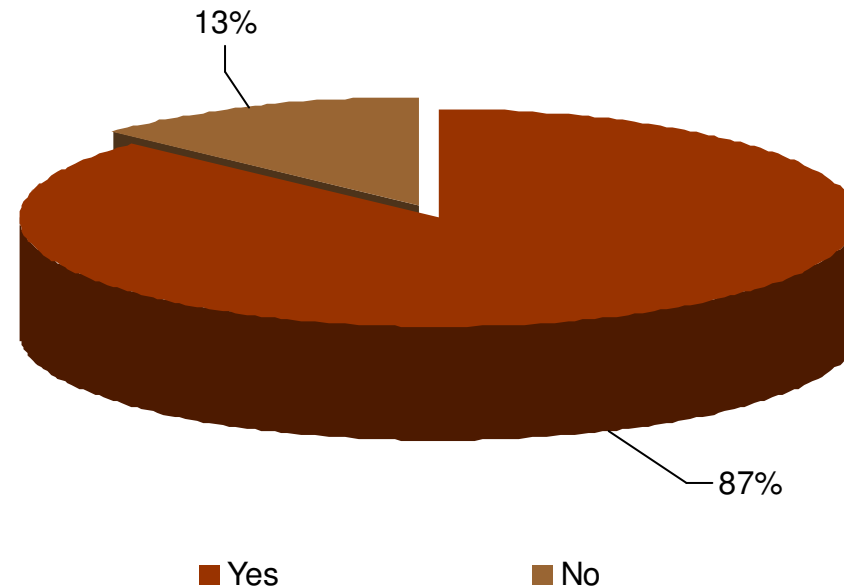


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Application information obtaining difficulties Post-completion

In comparison nine-tenths of intermediaries have experienced difficulties in trying to obtain information about a clients mortgage from a lender post-completion



Base – May 2006 – 180

Q09 - Have you experienced difficulties in trying to obtain information about a client's mortgage from a lender post-completion? **10**

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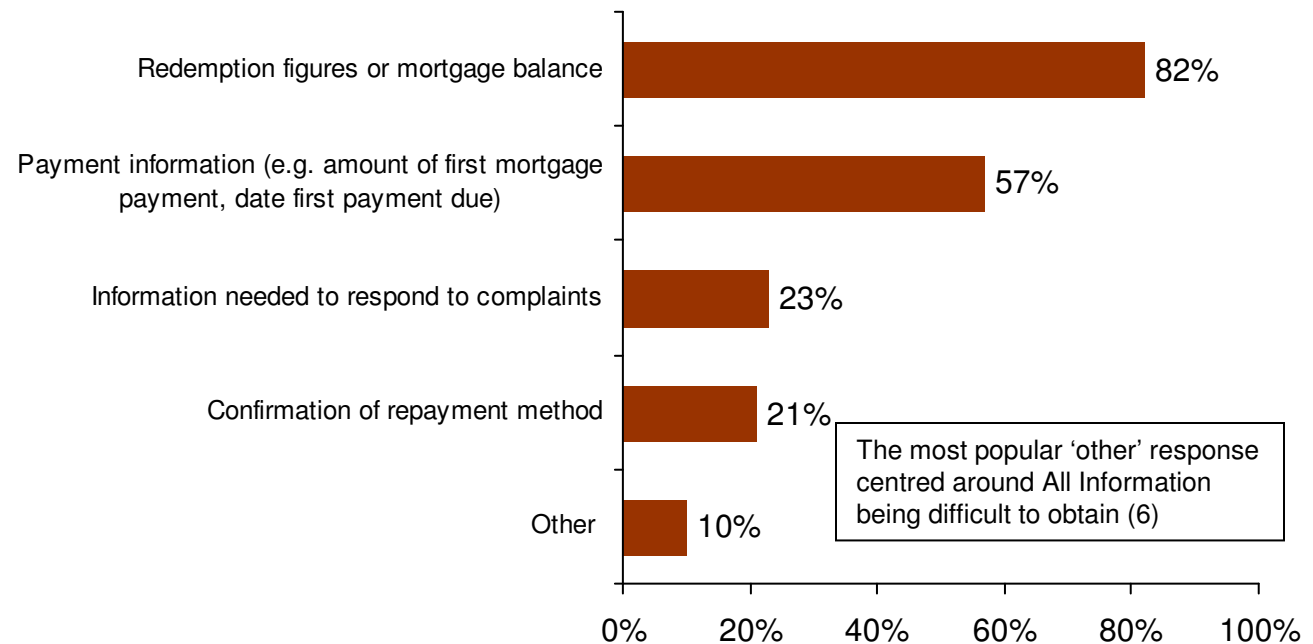
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Most frequent difficulty with lenders Post-completion

“Redemption figures” and “Payment information” are the two most difficult pieces of information to obtain from lenders post-completion



Base – May 2006 – 157 (all those who experienced difficulties in obtaining information post-completion)
Q10 - Which of the following have you experienced difficulties obtaining post-completion, even though your firm was the introducing intermediary? 11

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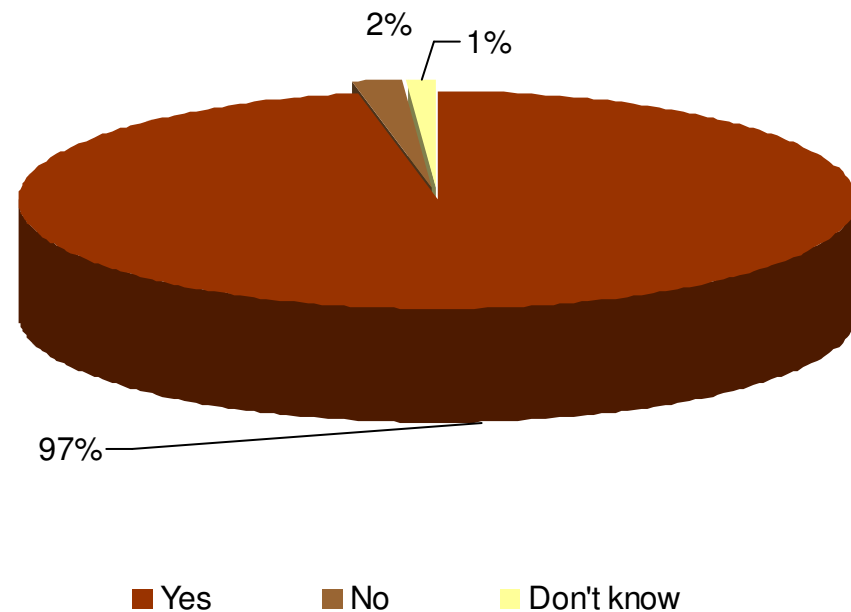


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Support for post-completion information disclaimer

An overwhelming majority of intermediaries will support an industry standard disclaimer that would allow the lender the authority to supply mortgage information to the intermediary post-completion



Base – May 2006 – 180

Q11 - Would you support an industry standard disclaimer which could be signed by the client to give the lender authority to supply the intermediary with information about the mortgage post completion?