

FRAUD

Credit history fraud is on the rise, says CIFAS

● NATALIE THOMAS

Borrowers are masking their credit history on a daily basis to get a mortgage, says Alan Cleary, managing director of Precise Mortgages.

Last week fraud prevention service CIFAS released its latest fraud bulletin revealing that it saw a 1% rise in mortgage fraud in the first six months of the year, compared with the second half of 2010.

Out of the 1,667 mortgage frauds reported, those trying to conceal a previous address because it was linked to an adverse credit history represented 24% of all frauds.

The next most common reason for fraud was the presentation of documents showing false proof of income, which accounted for 24% of all cases compared with 14% in the

last half of 2010. This was followed by false employment details which accounts for 20% of all mortgage frauds, up from 10% in the last six months of 2010.



ALAN CLEARY
FRAUD PLOYS
ARE NOT NEW

But Cleary says this is nothing new as these ploys were going on during the credit crunch and are still being used.

He says: "This happens every day of the week but we have detection systems that can trace fraud."

James Harries, sales and marketing director at Manor Mortgages, says: "The issue of non-disclosure of key facts is still a challenge for the industry but as more of those who hide information are exposed, this will hopefully become less of a problem."

BUY-TO-LET

Paragon parent's lending up in Q2

Paragon Mortgages' parent The Paragon Group of Companies completed new buy-to-let lending of £65.7m in Q2 2011 compared with £20.8m in the previous quarter.

In an interim management statement last week it also revealed that it made a pre-tax profit of £59.5m for the three months to the end of June. The proportion of the group's buy-to-let portfolio in arrears of more than three months fell from 0.75% at the end of March to 0.69% at the end of June.

The statement says preparations for the group's next securitisation deal are well advanced.

John Heron, managing director of Paragon Mortgages, says: "We had a strong focus on rebuilding our distribution network and brand awareness following our return to the market and it is pleasing to see that approach start to deliver."

"The fact that two-thirds of completions came in Q3 of our financial year alone shows our new lending is building strong momentum."

PRODUCTS

Hanley hikes loan size and multiples

Hanley Economic Building Society has upped its maximum loan from £500,000 to £750,000 and increased the income multiples it will lend.

The society has hiked its single income multiple from 3.75 to four and a joint income can be calculated at four times the higher income plus 1.25 times the lower income, or by three times the joint income.

Previously, joint income multiples were 3.75 times the higher income plus 1.25 times the lower,

or 2.75 times joint salary. The Hanley lends up to a maximum LTV of 90% on a repayment basis and 75% on interest-only.

Dale Jannels, managing director of All Types of Mortgages, says: "This shows the Hanley has an appetite to increase its lending."

A Hanley spokesman says it has relaxed criteria because of the quality of business it has received from brokers since its intermediary launch in 2010.

TMW Buy to Let.

Trackers with the option to switch to a fixed rate.

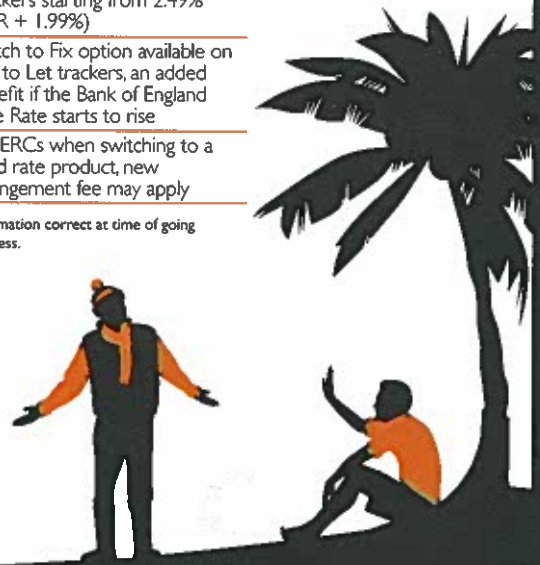
Ready for climate change? Just common sense.

Trackers starting from 2.49% (BBR + 1.99%)

Switch to Fix option available on Buy to Let trackers, an added benefit if the Bank of England Base Rate starts to rise

No ERCs when switching to a fixed rate product, new arrangement fee may apply

Information correct at time of going to press.



the mortgage works

common sense lending

For more information please contact your local BDM or visit www.themortgageworks.co.uk

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