

## **Association of Arrears Mediators**

### **Press Release**

#### **Statistics for Q3 2011**

##### **November 2011**

The Association of Arrears Mediators (AAM) is a Trade Association established in December 2009 and represents the five major Field Agencies (DMS, Excel, NCI, PDP and PSP/Fieldcall). These firms are responsible for circa 92% of all home visits instructed by mortgage lenders in the United Kingdom, as an integral part of arrears and possessions processes.

In the third quarter of 2011, AAM members completed 31014 pre-litigation visits. Whilst this represented a 9.7% reduction on the previous quarter, the year to date total jumped above the 100000 figure (102879).

In addition, 5086 pre-eviction visits were completed, an increase of 20.1% on the previous quarter.

Excluding those visits which are cancelled by the lender and/or where the property is empty or tenanted, Field Agents have successfully completed fact finds in 65% of their visits, with 82% of the fact finds being returned to lenders with a proposed arrangement to clear arrears, thus helping to prevent litigation or possession.

Despite 11% of borrowers refusing to be interviewed and no contact from a further 11%, nearly 94% who offered an opinion, in post survey questionnaires, expressed satisfaction and saw the visits as being beneficial.

Commenting on these figures, Ray Hugill, the AAM's independent Chairman said:

“Field Agents continue to play a pivotal role in the arrears processes of lenders and their successful visits, without doubt, help to minimise litigation and keep people in their homes – a prime objective for lenders and the Government.

Since 2007, almost 850000 mortgage arrears home visits have been completed.

The number of pre-litigation visits surprisingly reduced in Q3 but the pre-eviction numbers increased, perhaps a sign of the deepening arrears problems for those with long-term arrears. With interest rates still well below a 30 year average, no dramatic rise in instructions is anticipated in the final quarter of the year.

However, as lenders review their ongoing forbearance strategies and with the general economy showing little signs of recovery, the importance of Field visits cannot be overstated.

The quality of their input is unquestionable, as is their extraordinary value for money. With an estimated amount of £15000 needed by Government to re-house those people evicted from their homes, and with many cases of negative equity resulting in losses for lenders, the cost of Field Agent visits should be proportionate to the role they play – a view not lost in my regular meetings with the Regulator and other Trade Bodies.”

**Ray Hugill**  
**Chairman**  
**Association of Arrears Mediators**