



Mortgage Lenders' Forum

MAY MASTERCLASS

LONDON, 6 MAY 2009

**MUNGO DUNNETT
ASSOCIATES**



THE MAY MASTERCLASS

Operating in a zero base rate environment

Wednesday 6 May 10.30am–4.00pm

The masterclass will be facilitated by Mungo Dunnett, the director of Mungo Dunnett Associates.

The session will comprise a combination of:

- Presentation
- Discussion
- Case studies

The successive and precipitate cuts in base rate in the five months to March 2009 have radically affected many elements of the already deeply disrupted UK lending environment. The actual effectiveness of the base rate cuts in averting economic crisis, reassuring consumers and stimulating business remains thoroughly controversial, and the impact of the cuts on capital markets and lenders' ability to access capital has been far less than intended. On the other hand, their impact on lenders' product and balance sheet management has been dramatic, and with base rate standing (as of March 5) at 0.5%, new pressures are being exerted on lending strategy.

The workshop will consider the various implications of the unprecedentedly low base rate for portfolio management, retention and scenario planning. It will consider current consumer behaviour, and consumer responses to financial anxiety, product availability and lender brands. It will also include a review of regulatory developments, and the remaining room for manoeuvre provided to lenders in the light of media and governmental pressure on the one side, and internal balance sheet issues on the other.

The workshop will reflect on the sector in all these regards. Delegates' views will then shape the discussion, and the latter part of the day will consider the possible economic and environmental pressures still taking shape or that could very possibly develop, and how these can be accommodated in lenders' strategic and financial planning.

The workshop will consider the following key issues:

- Funding implications of an ultra-low base rate
- Unintended consequences: the unexpected effect of lenders' own product policies
- Negative equity: considerations, obligations and developments
- Likely competitor responses
- The 2009 mortgage customer: responses to financial anxiety, and implications for product choices
- The strange world of retention, and lenders' amalgam of old and new responses
- Product considerations and options: pressure on the traditional product options, plus the double-edged sword of offset and tracker
- Distribution considerations and opportunities

Insider Briefing

A separate slot during the workshop will outline and discuss the trends and developments that have affected the UK mortgage market since March, and their implications for lenders.

The masterclass is taking place in central London at the IoD Hub building (pictured above), a purpose-built meeting and conference centre just next to Liverpool Street station.

The full address is:
IoD Hub
New Broad Street House
35 New Broad Street
London EC2M 1NH

Dress code:
Formal or business casual, as preferred

