



# Mortgage Lenders' Forum

## MAY MASTERCLASS

LONDON, 7 MAY 2008

MUNGO DUNNETT  
ASSOCIATES



# THE MAY MASTERCLASS

## Managing Net Yield: implications for portfolio diversification

Wednesday 7 May 10.30am–4.00pm

The masterclass will be introduced by Mungo Dunnett, the director of Mungo Dunnett Associates. The session will be co-presented by Hugh Kingdon, formerly Director of Strategic Marketing and Investments at GMAC-RFC, and one of the leading strategic marketers in UK lending.

The session will comprise a combination of:

- Presentation
- Discussion
- Case studies

After many years of increasing competition and declining margins in the UK residential mortgage market, the trend has suddenly reversed in complex circumstances. The impact of the sub-prime crisis has dramatically reduced the available liquidity in the market, increased the cost of interbank funding and effectively closed the securitisation markets. Monoline lenders have virtually disappeared from the best-buy tables. Consumers have seen rising rates and declining availability of high LTV mortgages, and first-time buyers are facing the highest barriers for a generation. As a result, mortgage volumes are dropping and house prices are no longer growing. There is potential for a recession and a housing price crash which would have a material effect on arrears, repossession and recovery rates. Meanwhile, lenders are seeking to rebuild their capital base and make more profit from lower mortgage volumes.

Based on our extensive consulting work in the UK mortgage sector, this workshop considers all of these pressing issues and the typical bank, Building Society and monoline responses.

The workshop will focus on the following key areas:

- How can lenders maintain their profitability in the context of rising funding costs and lower volumes?
- Have we seen the end of lenders offering loss leading products in prime residential?
- How can lenders best manage and control the diversity within their portfolio?
- How will concerns about credit risk affect the optimum portfolio?
- How can lenders maintain attractive rates across a spread of market types while protecting their credit rating?
- Is it realistic to keep on diversifying – or will lenders need to focus on a chosen specialism?

### 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

