

PARAGON MORTGAGES PRESS RELEASE
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INTERMEDIARY CONFIDENCE BLOSSOMS THIS SPRING

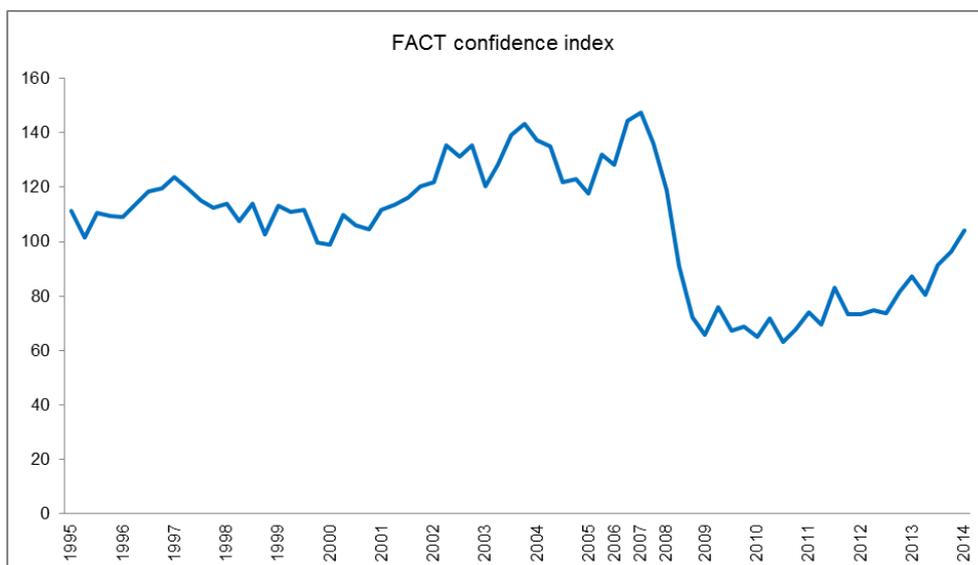
- Confidence index shows sharp increase in Q1 2014
- Improved levels of positivity seen in survey results
- Gap between first-time buyer and buy-to-let cases starts to close

Mortgage intermediary confidence is returning to levels last seen more than six years ago, a quarterly tracking survey by Paragon Mortgages has revealed.

The specialist buy-to-let lender has been conducting a panel survey since 1995, which tracks confidence amongst mortgage advisers.

The confidence index for the first quarter of 2014 is at its highest level since the beginning of 2008 at 104.7. There was strong growth in the index throughout the 'boom' years but confidence nose-dived in the financial crisis and was very slow to improve however, there have been steady improvements since 2010.

More recently there has been a marked improvement in confidence since the start of 2013 when the index stood at 87.2. Looking back further, confidence peaked during 2007 when the index reached 147.6 and dropped to its lowest level in the third quarter of 2010 at 63.0.



Intermediaries also reported during the first quarter that 21% of their mortgage cases were buy-to-let and 19% were for first-time buyers. The gap between the number of first-time buyer and buy-to-let cases has started to close during the past 12 months.

John Heron, Director of Mortgages, said: "Thanks to this unique long-running survey we can see very clearly how confidence was "knocked for six" during the financial crisis. It stayed depressed through to 2011 when things started to improve. We are now seeing a significant improvement in confidence as the market recovers and it will be interesting to see if this is maintained through the implementation of MMR."

ENDS

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NOTES TO EDITORS

- The index is based on the inaugural survey in 1995 and then calculated by looking at the average number of mortgages introduced in the current quarter, against the expected level of mortgage business in the next three months.

Paragon Mortgages is a leading provider of buy-to-let mortgages delivering lending solutions designed for professional landlords with more complex requirements. These include lending to limited companies as well as private individuals, lending on more complex property including HMO's and multi-unit blocks, higher aggregate lending limits and the ability to accommodate more complex letting arrangements including local authority leases and corporate leases along with standard ASTs.

Paragon Mortgages introduced its first product aimed at the professional property investor in 1995 and is a member of the Council of Mortgage Lenders (CML), the Intermediary Mortgage Lenders Association (IMLA), National Landlords Association (NLA) and the Association of Residential Letting Agents (ARLA).

Paragon Mortgages is part of The Paragon Group of Companies, a FTSE 250 company and a specialist provider of finance.

In February 2014 Paragon Group launched its banking subsidiary, Paragon Bank PLC. It is a retail-funded lending bank with a direct-to-consumer Internet platform for savings. Its loan products are distributed via intermediaries. The Bank is authorised and regulated by the Prudential Regulation Authority and the Financial Conduct Authority.