



## Treasury Committee

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*Dear Ian,*

### **UKAR's 'Right to Consolidate' clause**

UKAR's mortgage conditions include a "right to consolidate" clause which applies to its portfolio landlords. As you know, this means that, where a property is sold as a result of a repossession or via an LPA receiver, UKAR will apply any sales surplus to other mortgage accounts that the landlord holds with it, if these are also in default.

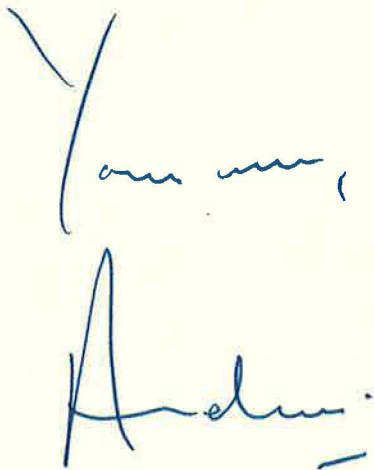
It also means that, where a borrower arranges a sale, or otherwise seeks a redemption of one mortgage within a portfolio, UKAR also has a right to refuse to allow the redemption and to insist that the borrower redeems the whole portfolio.

The Committee is aware of complaints made towards the clause by portfolio landlords, including the impact it could be having on their right to decide how and

when to sell their properties, and pay down their mortgage before the term ends. I would be grateful for your response to the following questions:

- How many buy-to-let properties are mortgaged by UKAR?
- How many customers own more than one buy-to-let property mortgage with UKAR?
- Of these, what is the average number of buy-to-let property mortgages per portfolio landlord?
- What criteria does UKAR use to invoke the 'Right to Consolidate' clause on portfolio landlords?

I will be putting this letter, and your response, in the public domain.

A handwritten signature in blue ink, appearing to read 'Andrew Tyrie', with a horizontal line underneath the name.

**RT HON ANDREW TYRIE MP  
CHAIRMAN OF THE TREASURY COMMITTEE**