**Post-vote reaction in the mortgage markets**

Following the result of Friday's EU vote, there has been much speculation about the impact on investment, currency and mortgage markets. We thought it would be helpful to summarise some of the key points being made on behalf of lenders, policymakers and regulators.

**Lenders**

The Council of Mortgage Lenders (CML) highlighted that while most people’s attention will be on interest rates and the impact on mortgage costs, the real question is how long the market might take to settle.

In the medium term, the extent to which housing transactions are affected by economic uncertainty and the impact on house prices is of primary concern. The more quickly the main markets re-settle, the lower the impact on the housing market is likely to be. However, any prolonged disturbance would inevitably have an impact.

Lenders are expected to treat customers and mortgage applications as normal. People who have received mortgage offers will not see them affected and the CML expects those facing financial difficulty will continue to be treated constructively and positively.

Mortgage pricing is unlikely to react instantly, although future pricing may be affected because the perception of economic uncertainty may affect lenders’ cost of funds.

**Bank of England**

The Bank has intimated it expected and had prepared for some economic volatility in the event of a leave vote. Mark Carney has confirmed that the Treasury and the Bank of England have already engaged in extensive contingency planning and that he and the Chancellor have been in close contact.

The Bank has reiterated that it will not hesitate to take additional measures as required as markets adjust and the UK economy moves forward.

**Regulation**

In the medium term, exit may result in many changes to mortgage regulation, as so much of it derives from the EU. This regulation will remain applicable until any changes are made, which will of course be a matter for Government and Parliament.

Firms will be expected to continue to meet obligations under UK law, including those derived from EU law. All consumer protections, including those within EU rules, are unaffected by the referendum result.

The longer-term impact of the decision on the overall regulatory framework for the UK will depend, in part, on the relationship that the UK seeks with the EU in the future.

The overall outcome for the mortgage market and house prices remains far from certain and it may take many months for the fog to clear. We will continue to support you and share and interpret events as they happen.

**Your home may be repossessed if you do not keep up repayments on your mortgage**