

# Mortgage Specialist Targets For 2009

Today the Bank will announce the target arrangements for 2009 for Mortgage Specialists, Mortgage Specialist Managers and Area Mortgage Specialists.

## 2008 - A Challenging Year

The mortgage market has gone through a tumultuous 12 months with the market ending the year on its knees. The Council for Mortgage Lenders announced that just £14.6 billion of lending was advanced for November. This is a 22% fall from October and a 51% fall from November last year.

Members will recall that for H2 2008 the LTSB mortgage target was reduced from £3.65 billion to £2.83 billion. That represented a reduction in target of 28% for Mortgage Specialists. However, despite that reduction Mortgage Specialists still struggled to hit target with only 45% achieving 91%+ of their volume target. Just 39% of Mortgage Specialists achieved 100% of their volume target.

## Targets For 2009

The Bank has acknowledged that 2009 is going to be a very difficult year for Mortgage Specialists and is proposing to reduce individual targets by some 36% from 1.94 mains per week in Q1 2008 to 1.24 mains for Q1 2009. The target reduction for Q4 2008 to Q1 2009 is 25% from 1.65 to 1.24 mains per week.

The expectation for the whole of 2009 is 1.33 mains per week, assuming that targets are not reduced again because of market dislocation, and overall that equates to a 22% reduction year on year. In terms of individual performance 53% of Mortgage

Specialists would have achieved 100%+ of their mortgage completions target in Q3 2008 had the target been set at the new Q1 2009 level. The number achieving more 91%+, and thus entitled to a bonus, would have been 60%.

However, the target reduction tells only part of the story. Not surprisingly, given that individual targets will have been reduced by some 53% within the last 6 months, the Bank is reducing on target earnings for Mortgage Specialists from £1,810 to £1,335 and from £2,740 to £1,840 for Mortgage Sales Managers. The Bank is also introducing a target for of 6 partnership referrals per quarter which must be achieved before bonuses are paid. We accept that Mortgage Specialists shouldn't expect to earn the same bonuses if their targets have been reduced but our concerns with the Bank's proposals are that they have gone too far and could in fact demotivate Mortgage Specialists at the wrong time.

## Quarterly Reviews

In these unprecedented times LTU and the Bank have agreed to sit down regularly next year to discuss targets. If performance drops further than anticipated because of the deteriorating economic climate then we would expect the Bank to review targets again for the Mortgage populations.

Members with any questions on this Newsletter or the Bank's proposals can either contact the Union's Bedford Office on 01234 262868 or they can email me at [Mark.Brown@ltu.co.uk](mailto:Mark.Brown@ltu.co.uk).

**Mark V Brown**  
Assistant General Secretary



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