



**PARAGON MORTGAGES PRESS RELEASE  
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**PARAGON MORTGAGES' PARENT COMPANY REPORTS £1.4 BILLION LENDING**

- Buy-to-let lending reaches £1.0 billion for first nine months of the year
- Professional landlords and complex portfolios now 70% of mortgage applications
- PRA Phase 2 changes for portfolio landlords in place ahead of regulatory deadline

The Paragon Group of Companies, the parent company of Paragon Mortgages, has today released its Q3 trading update for the nine months to 30 June 2017.

The Group reported total lending and investment for the nine months of £1.4 billion, with buy-to-let mortgage lending comprising £1.0 billion of the total.

Buy-to-let lending between March and June 2017 was particularly strong at £458 million, compared with £166 million in the third quarter of 2016 which followed the increase in stamp duty for buy-to-let purchases.

Paragon's healthy application flows reflect market share gains as a result of increasing demand from more complex and professional landlord customers. The proportion of these customers in the pipeline rose to 70% during the quarter, up from 62% at the start of the year. At the end of the quarter, the pipeline of new buy-to-let business totalled £700 million.

During the quarter, 96% of lending took place through Paragon Bank, reflecting its increasingly central position in funding the Group's new lending flows.

The Group also made good progress with its diversification strategy, growing new asset finance and other specialist lending by 66% to £330 million in the nine months to 30 June 2017.

**John Heron, Managing Director, Paragon Mortgages, said:** "The buy-to-let market has been the subject of repeated fiscal and regulatory intervention in recent times. This is changing the nature of buy-to-let and what we are seeing emerge is a more specialist market with a marked increase in more complex, professional landlord business. This is very well aligned with Paragon's experience and capability as underlined by today's strong trading figures and by our early implementation of phase two of the PRA's regulatory requirements for buy-to-let."

**ENDS**

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**NOTES TO EDITORS**

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. Paragon Bank PLC is registered on the Financial Services Register under the firm reference number 604551.