

## Loans And Credit Card Borrowings Came Down This Year

If reports are to be believed, loans and credit card borrowings came down by a sizeable margin in the month of January.

BBA has released information to indicate that, during the first month of 2008, the accumulative total borrowed by consumers is only about half a billion pounds. This when faired against the previous months' borrowing activities equates to quite a substantial reduction in credit requests.

It is quite a rare turnaround of events that, in the case of credit card borrowing, during the month of January, the amount repaid to providers was actually more than the amount spent. With the combined total of new requests for home loans having come down by about 15%, lenders have also reported a decline in demand for home loans in the beginning of the year.

One expert stated that the shift had resulted from the increased awareness among consumers, with regard to their personal finances, especially so in respect of the credit squeeze by [paydayloansinfo.co.uk](http://paydayloansinfo.co.uk). Across all sectors of the credit markets, borrowing is low, and it also appears that both prime and sub-prime providers are also in for a slight hit. There is every possibility that we are in the midst of a transitional period where, thanks to the spate of negative economical speculation, consumers are exerting temporary caution in the case of their borrowing needs.

Completely withdrawn from the sub-prime market, some of the UK's largest home loan providers cancelled all packages, which carry a maximum loan value of 125%. The credit squeeze, a marked change in the UK's economy, has caused firms operating within the sub-prime or adverse marketplace to completely reconsider their strategies by [homeloanme.co.uk](http://homeloanme.co.uk). No longer are the home loan providers willing to take the additional risk presented through 'specialist' borrowers; and analysts suggest that, until the market shows some definite signs of stability, many are likely to stay well away.

So much so that a number of providers are also rejecting applications from borrowers, with a loan to value of 100%. As a result of strategic move, more than 40% of the FTB market could be excluded from the borrowing fold, and this would obviously have a major effect on the entire housing market.

The comment of one industry speculator is that an economic reshuffle is inevitable, unless firms are willing to step up to the table, and facilitate the needs of the sub prime market. Regardless of credit conduct, borrowers are being forced to consider more expensive borrowing alternatives by [homeloanme.co.uk/home-improvement-loans/](http://homeloanme.co.uk/home-improvement-loans/).

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### About the Author

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