

AHF delivers its lowest LIBOR margin under its much-desired EIB II facility

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For Immediate Release

Two months into the new year and February continues to be an active month for the government-backed aggregator, Affordable Housing Finance (AHF), which today priced an extremely competitive floating rate EIB II facility loan.

A day before valentines, and AHF have agreed £25mil at 6 Month LIBOR +0.144%, for the midlands based housing association (HA), Midland Heart. This latest deal marks the lowest LIBOR margin achieved under the current EIB facility and the second lowest under the Affordable Homes Guarantee Scheme (AHGS). With the lowest price delivered in 2015 to Notting Hill Housing, who received a £50mil loan at LIBOR +0.121%.

Midland Heart, founded in 1925, manage over 33,000 homes and maintain a tenant portfolio of some 70,000 tenants. The HA will use this low rate of finance to help fund a significant number of much-needed affordable homes.

AHF's Chief Executive, Piers Williamson said:

'It's incredibly rewarding to see that AHF has continued to deliver competitive financing opportunities right till the end of its underwriting period. This latest pricing for Midland Heart gives yet more evidence that the AHGS has been the most successful scheme of its type.'

Despite the proximity to BREXIT, EIB has continued to deliver competitive pricings for a wide variety of UK HAs under the scheme. The focus is now turning to whether HAs will have access to any of the £8bn of mooted housing guarantees and/or what EIB's stance will be to lending in the UK with the benefit of a guarantee, post March 2019.

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