

Press Release

Originally issued: 6 April 2020

Updated for pricing information: 9 April 2020

MORhomes closes £35m loan deal for Thrive and Melin HAs

MORhomes PLC, the housing association bond aggregator owned by more than 60 housing associations announced on the 6th of April that it had raised £35m made up of £25m for Thrive Homes and £10m for Melin Homes. Melin is an existing borrower and Thrive becomes MORhomes' 12th housing association borrower and the deal brings MORhomes' total loan book up to £347.5m.

In a volatile market this underlines the attractions of the structure developed by MORhomes to permit rapid market access for borrowers so that they can take advantage of pricing opportunities.

The majority of the funds were raised via a tap to the existing 3.4% bond maturing in 2038 and brings the total issued to £334m. Barclays acted as sole bookrunners on the deal.

The bond was issued at a price of 105.309% giving an all-in yield of 3.01%.

Patrick Symington, Chief Executive, said: **"We are delighted to have achieved an excellent price for our borrowers.** The ability to execute this deal in very volatile conditions underlines the strength of MORhomes' approach to the market. Our unique 'Standby Liquidity Agreement' enables our borrowers to hold all the documentation for the funding deal ready and waiting for the right opportunity. In this case we executed the deal within the day."

Neil Hadden, Chair of MORhomes said: "MORhomes was set up to improve access for HAs to the financial markets. We monitor the markets daily and can be ready to issue when an opportunity arises. Our model of quick and efficient access to the market is more relevant than ever. In these uncertain times, MORhomes could be a vital option for many housing associations."

Anne Costain, Executive Director of Resources at Thrive said: "At Thrive we are committed to delivering more homes in our area of operation and this funding through MORhomes helps us achieve that aim. Many thanks to the MORhomes team for delivering this in the current challenging market. **I feel that in the current climate the price negotiated by MORhomes is value for money for Thrive.**"

Peter Crockett, Deputy Chief Executive at Melin said: "Whilst these are challenging times for the country, the team at MORhomes have worked diligently to ensure that funding remains readily available when required, which will ensure that services can continue to be provided and much needed homes can be built. It was a pleasure to work alongside

Thrive to achieve a deal that worked for both parties against the backdrop of a continually moving market. This is our second drawdown from MORhomes and **shows the benefit of having the Standby Liquidity Agreement in place where we achieved a very competitive all in strike price that will now give a greater degree of certainty of costs over the coming months ahead.** Once again the process was made simple due to the expertise of the team and its advisors.”

ENDS

Notes to editors

MORhomes was established in response to the concerns about the capacity of the sterling bond market to fund the needs of housing associations.

Its mission is to support the provision of Social and Affordable Housing in the United Kingdom by acting as a central borrowing vehicle designed to facilitate access to the capital markets by not for profit, registered social housing providers

MORhomes is an initiative created by the Housing Association sector, for the Housing Association sector. It allows associations regular access to the capital markets.

MORhomes provides its Borrowers;

- Flexibility to borrow in amounts from £10m upwards - saving the cost of having to borrow larger amounts which might be more than is needed at any one time
- Quick access to the market, reducing uncertainty over the price of funds
- Flexibility on types of security offered and efficient use of security
- Simple documentation and reduced costs and resources in going to the market
- Minimal corporate financial covenants
- Transparent predictable credit process and annual credit limit.

MORhomes is a plc 100% owned and controlled by housing associations. It follows the UK Code of Corporate Governance and aspires to the highest levels of corporate governance and transparency. MORhomes is capitalized by equity and subordinated debt provided by its borrowers, and third party junior debt. All MORhomes bonds are Social Bonds in accordance with the ICMA Social Bond Principles 2018.

MORhomes’ first issue of £250m was completed in February 2019 and it has now issued and on-lent nearly £350m. Its current borrowers are:

Borrower Name	Borrower Group Name
A2Dominion South Ltd Aster Communities Ltd	A2Dominion Aster Group

Synergy Housing Ltd	Aster Group
EMH Housing and Regeneration Ltd	EMH
Hafod Housing Association Ltd	Hendre
Local Space Ltd	Local Space
Melin Homes Ltd	Melin Homes
North Devon Homes	North Devon Homes
Heart of Medway Housing Association Ltd	MHS
Charter Housing Association Ltd	Pobl
Tai Gwalia Cyf	Pobl
South Yorkshire Housing Association Ltd	South Yorkshire (SYHA
Wandle Housing Association	Wandle
Thrive Homes	Thrive Homes

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