



Why government needs to  
**do more with less**

by Tammy Kulesa



THFC presentation to  
Housing  
Europe

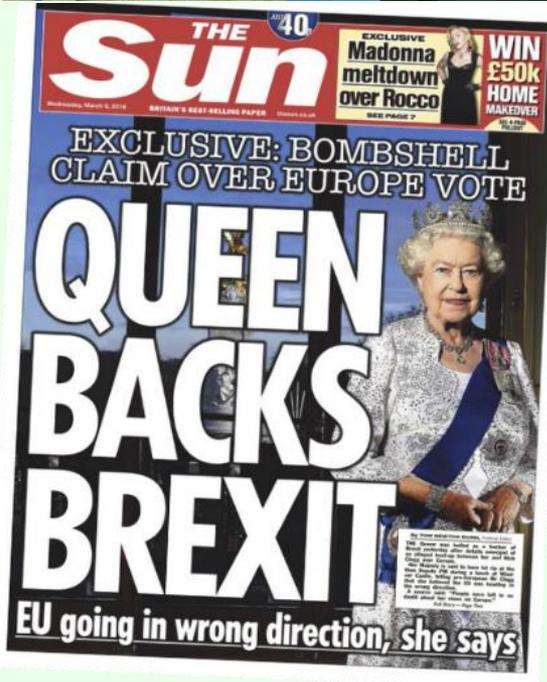
June 14 2016



# Our Economy on June 24?

THFC

The Housing Finance Corporation





- Not for Profit Finance Company
- Purpose is funding (regulated) Housing Associations: (not for profit housing development & management mutuals)
- Set up in 1987 by the Housing Corporation and the National Housing Federation
- Rated A+ Long term by Standard & Poor's
- Lend to around 170 different HAs nationally from very large to community based organisations
- At March 2015 already lend £5.09Bn (€6.4Bn)
- Experts in bond finance and EIB sourced funding
- Will deliver up to £1.5Bn (€1.89Bn) of EIB lending under the UK wide Affordable Housing Guarantee Scheme

# What has distinguished UK Housing Associations as a long term investment to date?

THFC

The Housing Finance Corporation

## The five legged stool

- Regulation
- Grant £45Bn (€56.7Bn)
- Secured Mortgage Finance
- Payment Direct
- Independence



## Why Guarantee Debt?

- The Credit Rating Differential delivers a lower cost of finance
- Because Housing Associations are mutuals, benefit of lower funding cost locked in to deliver more

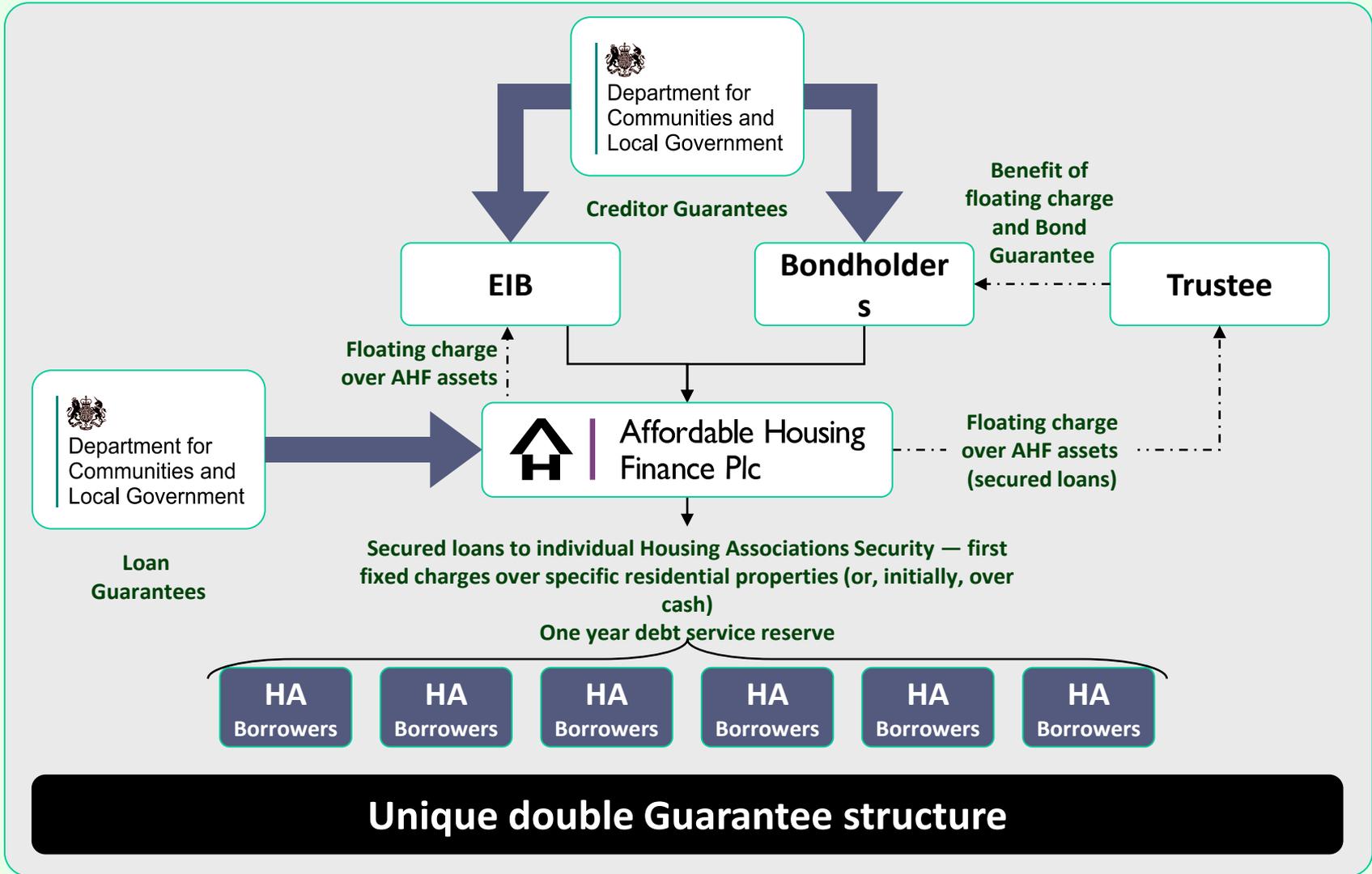


	UK 'Full Faith' Guarantee	European Investment Bank Funding	Housing Association Bond/PP Funding	Bank
Rating:	AAA/Aa1	AAA/Aaa	AA-/Aa3 → BBB+/Baa1	
Cost of Finance:	Gilts + 0.35-0.4%	Gilts + 0.17% Average	Gilts + 1.0-2.00%	

# AHF Guarantee Structure Overview

THFC

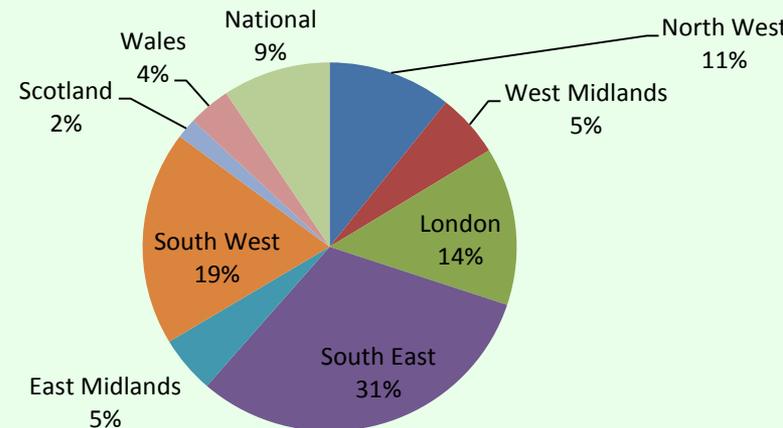
The Housing Finance Corporation



- Urban Regeneration is usually multi-faceted (e.g. Housing, infrastructure, commercial zoning, leisure etc.)
- Social/affordable housing tends to be in small pockets (no mono-tenure 'sink'-estates)
- Regeneration projects big enough for EIB solo funding minimum c. £75m (€94.5m) are relatively rare in the UK
- Ideally suited to an aggregator familiar with Housing Associations
- First £500m (€630m) tranche lent to 17 housing associations



## AHF 1 Geographical distribution



# If we followed Greenland's example This could be the UK Economy

THFC

The Housing Finance Corporation



**BBC RADIO 4** **How to Make a Brexit**



 Carolyn Quinn explores the practical process by which Britain would exit the EU if UK voters opt to leave, and looks at the experience of Greenland, which quit the EEC in 1985.

Available now  
 38 minutes