

## bLEND lends £40m to longstanding borrower

25<sup>th</sup> March 2021 – for immediate release

bLEND today priced a £40m tap of its 2047 bond for longstanding customer, Mosscares St Vincent's (MSV) housing association.

The tap priced at an all-in rate of 2.35%, at a spread of +113bps over Gilts. With healthy investor interest, including from two sovereign wealth funds, the orderbook was 4 times oversubscribed, reflecting confidence both in bLEND (rated A2 by Moody's) and the affordable housing sector more broadly.

Today's new loan brings total issuance by bLEND to £955m, of which £565m was issued in the current financial year. This significant growth is indicative of bLEND's ability to consistently deliver swift execution and competitive pricing in comparison to private placements and own name bonds. Across 2020/21 FY and 13 separate transactions, bLEND's weighted average cost-of-funds for £565m (including deferral premia) was under 2.20%, despite unprecedented market turmoil.

Funding need in the sector remains high as housing associations continue to focus on developing new affordable homes while facing the challenges of fire safety and decarbonisation costs, and so despite having already issued three times in 2021 bLEND continues to have a strong pipeline of future deals.

MSV's relationship with THFC group already stretches back three decades, and this transaction will extend the continuous funding relationship for almost a further three decades. With almost 9,000 homes across Greater Manchester, Lancashire and West Yorkshire, MSV is an organisation anchored in its communities, with a focus above and beyond its core affordable housing provision. MSV offers tailored extra-care support for tenants including in relation to disability, mental health, domestic violence, homelessness and young care leavers.

Helen Rourke, Exec Director Finance of MSV, said: "THFC are a longstanding and valued partner of MSV, and we are really pleased to have been able to secure further funding through bLEND. Now more than ever there is a need for the homes and services we provide, and this funding forms part of our strategy to deliver 400 new homes of various types across the North West, in addition to the 1,200 homes in the existing development plans. This funding will enable us to deliver against our commitment to provide more supported housing to some of the most vulnerable in society; develop a range of affordable homes, including homes for social and affordable rent; and means we can continue to develop and deliver high-quality services that meet the needs of our existing customers and the communities we serve.

Brendan Whitworth, one of bLEND's Relationship Managers who worked with MSV to establish the loan, said: "I'm particularly pleased to support Mosscares St. Vincent's because I lived near Moss Side in the late 1970s and early 1980s, which were troubled times for the area. The position is so different today, with MSV playing a huge part in this with its core value of providing housing for the most vulnerable in society. The area no longer has its concrete jungles and the old 'two up two downs' have been upgraded and improved."

bLEND's CEO, Piers Williamson, said: "We signed our first loan to MSV in 1991, in the early days of associations' engagement with the capital markets. A lot has changed since then; THFC group is no longer a plucky upstart but a mature player, achieving some of the lowest costs-of-funds the sector's ever seen, and the most successful year of new issuance in THFC's 34-year history.

“MSV are still the community-based association they were then, an exemplary case of the impact housing associations make, but they have grown too, and today’s new funding will help them further expand and improve their services. The story of MSV and THFC group is the story of our sector, and of the role of private finance in helping boost social impact, now and into the future.”



**Note to editors:**

About THFC: The Housing Finance Corporation (THFC) is the UK’s leading affordable housing aggregator, with £7.5bn of lending to around 160 housing associations in England, Wales and Scotland. THFC was set up in 1987 in partnership with the National Housing Federation and what was the Housing Corporation. It now also operates through its subsidiary company, bEND, which was established in 2018. As a not-for-profit, the group’s surpluses are retained and reinvested to ensure THFC can continue to provide competitively priced funding for HAs long into the future. THFC’s track record of innovation includes some of the earliest green finance products for retrofit and sustainable developments.

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