

Omni Partners subsidiary Amicus completes GBP100m securitisation

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Brookland Partners has advised Omni Partners subsidiary, Amicus, on the completion of Amicus Mortgage Finance 2015-1, the UK's first securitisation to focus solely on UK short term property loans, with loan terms ranging from 6-18 months.

The asset-backed security (ABS) provides investors with a portfolio of quality short term loans with a weighted average loan to value of 60 per cent.

Amicus has been operating in the short term lending market for six years and originating loans for institutional investors in Omni Secured Lending Fund I and Fund II, a series of secured lending funds managed by Omni for over 18 months.

Omni's Founder and Head of Risk, Steve Clark, says: "This is a great example of innovation and market leading thinking from Omni and is testament to our entrepreneurial culture. We have been bringing innovative investment opportunities to institutional investors for over 10 years and now are opening our secured lending strategy to a whole new group of investors through a co-ordinated group strategy.

"From a group perspective, the completion of this securitisation is important on three levels. Firstly it is a diversification of the business which further increases group-wide stability. Secondly, it is proof of Omni's ability to access opportunistic funding sources and lastly, the transaction underpins the credibility of the wider Omni Partners' group in the credit and lending area."

Gareck Wilson, Partner [at] Brookland Partners, says: "There is currently a large amount of institutional investor appetite for asset-backed securities ("ABS") whilst simultaneously a shortage of supply. Compared with other ABS products, this securitisation is highly attractive on a risk return basis due to its low leverage, the nature of the underlying assets and additional structural enhancements.

"The fact that this deal was pre-placed with institutional investors is testament to the level of interest they are showing in the asset class, in Amicus as the originator and in the diversification benefits they see in adding this product to their portfolios.

"Within the ABS market this product is particularly notable as investors know that from a risk perspective there is robust credit enhancement and that they are protected from potential credit quality decline through a provisioning mechanism, that the credit quality of the overall pool remains consistent throughout the replenishment period through various loan eligibility criteria and portfolio concentration tests, and that a reserve fund is in place to manage potential liquidity issues that may arise due to differences between payment of interest on the loans and bonds."