

Affordable Homes Guarantee Scheme overview

Background

- ARA Venn, an investment manager in private debt, is mandated by the UK Government to provide £3 billion of cost-effective long-term loans, of up to 30 years, to Private Registered Providers developing new affordable homes in England.
- It is the second UK Government lending scheme awarded to ARA Venn following the £3.5bn PRS Guarantee Scheme awarded in 2015 which was dedicated to the Private Rented Sector.
- The UK Government has the option to increase the scheme by a further £3.0bn to £6.0bn.
- There is an initial 3-year window to take applications (the UK Government has the option to increase this by a further 2 years); deployment is expected to take place over the next 3-4 years.

Structure

- The loans will be made and funded by Saltaire Finance, which will issue public bonds benefitting from a UK Government guarantee; the programme is managed by ARA Venn, and will provide attractively priced financing.
- ARA Venn is the manager of the AHGS scheme on behalf of their subsidiary Saltaire Housing, which oversees the delivery of the scheme to the UK Government.

Loans and security

- The loans will use precedent documentation following a typical format for social housing.
- The loans will have a maturity of up to 30 years.
- The loans are for general corporate purposes, but borrowers must undertake to

develop new affordable homes (in Approved Pipeline Schemes) for an amount £ for £ equivalent to the amount borrowed under the scheme; eligible tenures are Social rent, Affordable rent and Affordable Home Ownership, and construction must commence within 24 months of funding.

- The loans will be secured by existing portfolios of social housing properties; both EUV-SH and MV-STT valuation bases will be eligible, subject to due diligence.
- A borrower's existing security trust may be used, subject to due diligence.

Scheme rules

- The Scheme Rules and associated FAQs are available [here](#)

