Optimum Credit completes first public securitisation of second-charge mortgages by a UK mortgage lender since the credit crisis

Optimum Credit, the prime second-charge mortgage lending business owned by Patron Capital, the pan-European institutional investor focused on property backed investments, has completed the first public securitisation of second-charge mortgages by a UK mortgage lender since the credit crisis.

The portfolio included £251 million of loans originated by the non-bank mortgage lender over the last three years. Optimum Credit has successfully placed £256 million of securities with institutional investors. There was strong interest and the senior notes were more than two times oversubscribed. The senior AAA notes were placed at a 95bps spread and Optimum Credit has retained the bottom 5% risk, in accordance with the risk retention regulations.

NatWest Markets acted as the arranger, lead manager and sole bookrunner.

Optimum Credit is the leading UK second-charge mortgage lender. Established by a very experienced senior management team, led by Sam Marshall, and backed by Patron Capital, the company wrote its first loan in 2014. The business has since become a market leader in the non-bank mortgage space, with more than 20% market share, and lends around £200 million each year.

Sam Marshall, CEO of Optimum Credit, said:

“This is a significant milestone in the development of Optimum Credit. The completion of the first second lien public securitisation since 2004 is testament to both the quality of the management team and the business we have built since originating our first loan back in June 2014.

“This securitisation allows us to continue the development of our business as we seek to increase our prime second lien origination and also add new product lines.

“I would like to thank the team at Patron Capital and the team at NatWest Markets for the support and encouragement they have provided throughout this transaction.”

Keith Breslauer, Managing Director of Patron Capital, commented:

“This securitisation demonstrates renewed appetite from investors for home loans and proves the ability to access cheap long-term funding from capital markets. It is a unique transaction for this asset class and a major achievement which highlights the strength of the Optimum Credit team and the loan assets, and further establishes the company as a market leader. Having identified the opportunity for a non-bank mortgage lender and backed Optimum Credit’s very experienced management team to set up this business around three years ago, we believe there is further significant growth potential for the company in the consumer lending space and look forward to continuing our support during this next phase of growth.”
Notes to Editors

About Patron Capital Partners
Patron represents approximately €3.4 billion of capital across several funds and related co-investments, investing in property, corporate operating entities whose value is primarily supported by property assets and distressed debt and credit related businesses.

Since it was established in 1999, Patron has invested in over 69 investments and programs involving over 65 million square feet (6 million square metres) in 16 countries, with many of these investments realised.

Investors represent a variety of sovereign wealth funds, prominent universities, major institutions, private foundations, and high net worth individuals located throughout North America, Europe, Asia and the Middle East. The main investment adviser to the Funds is Patron Capital Advisers LLP, which is based in London, and Patron has other offices across Europe including Barcelona, Milan and Luxembourg; the group is comprised of 75 people, including a 42-person investment team.

In 2017, Patron was awarded the accolade of Property Fund Manager of the Year at the Property Awards. It has also been shortlisted for the Business Charity Awards, Better Society Awards and RESI Awards.

Further information about Patron Capital is available at www.patroncapital.com.