

Ms Christine Chapman
Chair
National Assembly for Wales
Communities, Equality and Local Government Committee
Cardiff Bay
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Commercial Lending Division
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Our Ref: PH/MDPBSC
Your Ref:
Date: 20th May 2015

Dear Ms Chapman,

RECEIVED
27 MAY 2015

Renting Homes [Wales] Bill

Thank you for your letter in respect of the above and in particular about the impact of the removal of "Ground 8" provisions in respect of housing associations.

The committee has asked us to consider the impact on our stance to the housing association sector as a result of this change given that Principality is a major lender to the sector.

I can confirm that the Society does indeed have a significant commitment to the sector in Wales which stands at c£160m. It would be fair to say we supported the CML view for the retention of this right – not least on the basis that we detected it would be exercised sensitively, selectively and as a last resort by the sector.

Equally, however, it would not be our view that rental income streams for the sector would be materially weakened by this change and our assessment of the strength of individual associations encompasses a very broad range of indicators of which this aspect would be a relatively minor part. On that basis I can confirm that the Principality's stance to the sector would be unlikely to change either in the guise of financial commitment or terms / pricing.

I trust this addresses the query but needless to say stand ready to discuss the matter further as required.

Yours sincerely

PETER HUGHES
MANAGING DIRECTOR PRINCIPALITY COMMERCIAL

