

UK Asset Resolution successfully concludes sale process for a portfolio of mortgages for £2.7bn

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UK ASSET RESOLUTION LIMITED

UK Asset Resolution Limited (UKAR), the holding company for Bradford & Bingley plc (B&B) and NRAM plc (NRAM), has concluded a competitive sales process for the sale of a portfolio of performing residential mortgage loans to Commercial First as part of a consortium led by J.P. Morgan for £2.7bn. UKAR was advised in the process by Credit Suisse.

The portfolio comprises performing residential mortgages from the legacy books of B&B, NRAM and Mortgage Express (MX) and is secured on residential property assets in the UK.

The sale was based on the portfolio position as at end May 2014, from which point the buyers acquired the risks and rewards of ownership. The proceeds include a c.£55m premium over the book value at that point in time, representing good value for the taxpayer.

The full transfer of legal title and servicing of these accounts will be phased over the next 12 months. Until such time as a customer's mortgage is transferred, B&B, NRAM or MX will remain responsible for servicing that mortgage and for setting the interest rates and any charges that apply.

The continued fair treatment of customers was a key consideration for UKAR in selecting the winning bid. The sale will not affect the terms and conditions of the mortgages in this portfolio and the c.27,000 customers impacted will be contacted directly by B&B, NRAM or MX and the new lender at the point at which servicing responsibility transfers.

This action forms part of UKAR's on-going process to manage down the closed mortgage books of both B&B and NRAM whilst maximising value for the taxpayer.

ENDS

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UK Asset Resolution Limited (UKAR)

UKAR established on 1 October 2010 to facilitate the orderly management of the closed mortgage books of both Bradford & Bingley (B&B) and NRAM to maximise value for taxpayers, while ensuring that both companies continue to treat customers fairly, deliver consistently high levels of service and support those customers facing financial difficulty.

Further information about UKAR is available at www.ukar.co.uk

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Founded in 2002, Commercial First provides specialised commercial and residential mortgage servicing, due diligence and property valuations. The company is authorised by the Financial Conduct Authority to administer mortgage loans and is committed to transparency, clarity and the Treating Customers Fairly principles. For more information about Commercial First, visit www.commercialfirst.co.uk.

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