

# Loan Portfolio Return 2018/19

To be submitted to SHR

Presented for approval to  
Management Committee 26th June 2019

## Purpose of Return

The purpose of this return is to advise the Scottish Housing Regulator on the performance of loans held by Association. Information contained in report includes loan balances, interest rates and loan types, as well as Associations ability to meet covenants set by lenders.

## Loan Information

| Lender     | Loan Type     | Total Loan | Loan Balance | Interest Rate |
|------------|---------------|------------|--------------|---------------|
| Nationwide | Variable Rate | £450,000   | £ 278,793    | 1.79%         |
| Triodos    | Fixed Rate    | £1,300,000 | £1,028,942   | 3.2%          |

Total loans outstanding 31.03.2019 £1,307,735. Loan per housing unit £2,867.

456 units owed by Association.

58 units used for Security. 398 Unencumbered.

Covenant Compliance  
2018/19

## Nationwide Covenants

1. Asset Cover- Value of properties cover balance of loan.
2. Debt Servicing- 70% of rental properties which service loan shall cover repayment of loan over 35 years.

| Covenant          | Method             | Required Level | Actual Level | Comply |
|-------------------|--------------------|----------------|--------------|--------|
| 1. Asset Cover    | Property Valuation | 100%           | 227%         | Yes    |
| 2. Debt Servicing | Rental Income      | 25 years       | 4 years      | Yes    |

## Triodos Covenants- Office and Flats

1. Asset cover- Assets cover shows that the valuation of properties cover the loan balances outstanding.
2. Interest Cover- The interest cover ratio measures the Associations ability to meet its interest payments.

| Covenant          | Method             | Required Level | Actual Level | Comply |
|-------------------|--------------------|----------------|--------------|--------|
| 1. Asset Cover    | Property Valuation | >125%          | 219%         | Yes    |
| 2. Interest Cover | Interest payments  | 1.1            | 13.32        | Yes    |