



Media statement

13th March, 2019

Magellan Homeloans announces closure to new business

Today, Magellan Homeloans, the specialist mortgage lender, announced that it has taken the decision to close for new business.

In response to competitive pressures the business has recently seen a number of lenders reducing mortgage loan interest rates and increasing credit risk despite increased funding costs. Viewing this as unsustainable Magellan has reluctantly taken this decision, having considered a number of alternative options.

Magellan will cease accepting new business with immediate effect. However, it will continue to honour unexpired mortgage offers, although these will not be extended or materially varied.

Decisions in principle and applications in the pipeline will not be progressed any further. Mortgage applicants who have paid administration or valuation fees to Magellan but who have not received a mortgage offer will have those fees refunded.

There will be no impact on existing customers whose mortgage loan has completed. All their contractual obligations still apply and their home may be repossessed if they do not keep up repayments on their mortgage.

Applicants impacted by this announcement should contact their mortgage broker/adviser with whom Magellan will, within the next two weeks, seek to make arrangements where a refund of fees is due. Existing borrowers wishing to contact Magellan Homeloans should call 0330 335 5777, option 3 for residential mortgages or 0345 840 0251 for Buy to Let mortgages.

Applicants should be advised that Magellan Homeloans will only contact them in relation to a refund of administration or valuation fees if their mortgage application is not proceeding. They will not be asked for bank or building society account details. Existing borrowers will continue to be contacted via normal channels.

The status of all affected pipeline cases will shortly be updated on the Magellan Hub. Intermediaries with any queries should contact Magellan through their Regional Sales Manager, Regional Account Manager or the helpdesk on 0330 335 5777.

Matt Gilmour, CEO, said: *"The competitive landscape has continued to shift, mortgage loan interest rates are reducing when the cost of funding is rising, and some lenders are taking on more credit risk despite the volatile economic backdrop."*

“Magellan has prided itself on maintaining excellent credit standards whilst helping customers who have been disenfranchised by high street lenders. However, we do not wish to compete in a market which we view as unsustainable.

“The determination, commitment and tenacity shown by everyone at Magellan Homeloans has transformed our business into a mortgage lender to be proud of. It is with great regret and sadness that the Board has concluded that it is no longer a long-term viable business.”

A 30-day consultation period will commence shortly for its 65 employees dedicated to new business in its Leatherhead and Birmingham offices. Employees of our third party customer services providers are not affected by this announcement.

ENDS

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