



Ogier Guernsey advises on UK Government-backed mortgage indemnity insurance scheme

Deals - 15/03/2012

A scheme promoted by the Home Builders' Federation to stimulate the UK housing market is to operate through a Guernsey based insurance company. The scheme, widely reported in the last few weeks by the FT, the BBC and others, is designed to reduce risk to lenders at higher loan-to-value ratios, e.g. 95%.

The scheme will apply in respect of newly built homes in the UK, and provides insurance to lenders in respect of losses on mortgages, due to defaults. The insurance will cover up to 9% of losses, funded in part by the developers, paying amounts equivalent to 3.5% of the purchase price, and in part by the British Government agreeing to contribute the remaining 5.5%.

Frances Watson, Partner, and James Cooke, Senior Associate, instructed by Clyde & Co, are advising the Home Builders' Federation in respect of Guernsey law.

William Simpson, Managing Partner of the Guernsey office, said that the Guernsey Partners were amongst the few locally with a long history of advising in respect of insurance related structures. He noted that such structures were on the increase and that the Guernsey office, already instructed in respect of a number, were well-placed to participate in this re-emerging area.

About Ogier

Ogier is a professional services firm with the knowledge and expertise to handle the most demanding and complex transactions and provide expert, efficient and cost-effective services to all our clients. We regularly win awards for the quality of our client service, our work and our people.

Disclaimer

This client briefing has been prepared for clients and professional associates of Ogier. The information and expressions of opinion which it contains are not intended to be a comprehensive

study or to provide legal advice and should not be treated as a substitute for specific advice concerning individual situations.

Regulatory information can be found under [Legal Notice](#)