

# TMW boosts sub-prime offering with three-way packaging pilot

**By Lucinda Devine**

The Mortgage Works (TMW), Portman Building Society's specialist lender, is to expand its sub-prime offering into the packager market for the first time.

From January, TMW will run a three-month pilot in association with All Types of Mortgages (ATOM), The Mortgage Times Group and Solent Mortgage Services (SMS), before expanding its distribution later in 2007. TMW underwriters, who have already been recruited, will be placed into the offices of all three packagers, from where offers will be directly issued.

Matthew Wyles, group development director at Portman, said the pilot scheme was aimed at perfecting TMW's product and service proposition before launching to a wider packager market, which would happen regardless of the trial's outcome, adding: "We intend to grow our distribution aggressively during 2007."

While TMW launched its adverse proposition direct to brokers in 2005, Wyles said many intermediaries prefer to operate through a packager for sub-prime lending, as it offered an additional level of compliance. He

said: "We believe larger packagers will continue to dominate distribution in the adverse market, and our strategy is to partner with them, not to undermine them."

Ian Balfour, sales & marketing director at SMS, said: "In launching these products into the sub-prime market, TMW brings even greater credibility to this important sector."

TMW hopes to distinguish its range through competitive pricing, good service levels, and products ranging through to heavy adverse, with appropriate pricing for risk. In

addition, lending will be off the Portman Group balance sheet, meaning the business model is not reliant on securitisation.

Commenting, Dale Jannels, sales and marketing director at ATOM, said: "TMW have designed and presented their new suite of products with criteria and pricing designed to capture the attention of intermediaries."

Wyles said the move had the full support of Nationwide ahead of its merger, scheduled to be completed in August/September 2007, subject to approval by Portman's membership.