



Media release

Household Capital completes first rated mortgage securitisation raising \$263m to expand retirement housing and funding

Key points:

- Breakthrough mortgage securitisation in Australian retirement housing and funding
- Financing to help retired Australians meet the challenges of an ageing population
- Scalable structure to meet rapidly growing demand
- Moody's-rated reverse mortgage RMBS securitisation

25th July 2024

Household Capital, a leading Australian provider of home equity retirement funding, today announced the completion of HHC 2024-1 RMBS Trust, a \$263m mortgage securitisation rated by Moody's. The Arranger and Sole Lead Manager on the transaction was Citigroup Global Markets Australia.

The innovative mortgage securitisation will allow Household Capital to continue to meet the increasing demand from retired Australian homeowners who are seeking responsible, long-term funding for their retirement needs --- a segment of the market which has more than \$1 trillion in home equity available today.

Household Capital is a specialist 60+ lender, originating mortgages which don't require the borrower to have an income or make regular repayments and provides a range of home wealth access options distributed direct to customer as well as via partners, advisers and brokers. The company began mortgage origination in 2019 and has built a mortgage portfolio of over AUD\$420m.

The Household Capital portfolio attracted widespread interest from insurance, superannuation, banking and institutional credit fund investors. The final transaction was 1.6x covered and upsized.

Household Capital CEO, Joshua Funder, said "Our inaugural mortgage portfolio securitisation is a great outcome for Australian retirees and a big step forward in the evolution of Household Capital. The quality of our customers and the low risk nature of the mortgages we originate were critical in attracting local and global investors to sustainably scale retirement housing and funding and help Australians meet the challenge of an aging population".

The facility will refinance part of Household Capital's existing mortgage portfolio and is based on a mortgage portfolio with an average loan-to-value ratio of less than 25%. "The way Australian retirees access the wealth in their homes using a Household Loan is different from similar approaches elsewhere. The rating on our portfolio reflects a series of key differentiators of Australian equity release mortgages: higher voluntary discharge, shorter duration, lower negative equity risk and higher cashflows. We have achieved a strong Moody's rating and innovated significantly to obtain a premium to par for the rated notes" Funder said.

Another innovative feature of the HHC 2024-1 RMBS Trust is that it will allow Household Capital customers to continue to draw on their home equity under their existing approved amounts as well as through potential future increases to their credit contracts.

Nick Sherry, Household Capital Chair, said "Household Capital has pioneered the delivery of home wealth to Australians. The securitisation of our mortgage portfolio is a milestone in the growth of our business."



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Moody's PR: https://www.moodys.com/research/Moodys-Ratings-assigns-provisional-ratings-to-Household-Capitals-inaugural-reverse--PR_479240

Moody's PSR: https://www.moodys.com/research/Household-Capital-2024-1-RMBS-Trust-Pre-Sale-Household-Capitals-first-reverse-Pre-Sale-Report--PBS_1406852

About Household Capital

Household Capital is an Australian-owned independent retirement funding provider founded in 2016 with a mission to help retired Australians 'Live Well at Home'. It offers retirees a responsible, sustainable, and flexible financial solution that allows them to bundle their superannuation savings, equity in their home and their Aged Pension to achieve their retirement goals while continuing to live at home. www.householdcapital.com.au

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