



Add To My  
Mortgage

# Energy Efficient Mortgages Initiative

Presentation, 23<sup>rd</sup> November 2020

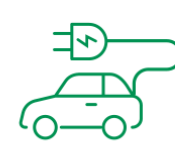
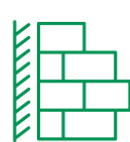
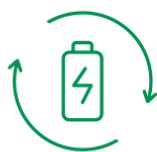
# Purpose

To unlock the investment needed to make all homes cheaper to run, more comfortable, safe and green.



# How?

Unique Point of Sale (POS)  
Finance for **Green Vendors.**



UNLOCKING THE INVESTMENT NEEDED FOR GREEN HOME IMPROVEMENTS



**Analogy**

**Personal  
Loan**

**Contract  
Hire**

**PCP**

**80%**

# Green Home Improvements

- ▶ High upfront cost
- ▶ Must justify itself in financial terms

“*This is an area where it would maybe be difficult to justify a big upfront payment. But if the savings made by installing the equipment came out above the monthly payment, I wouldn't see a problem.*”

Survey Respondent, proprietary  
customer research  
Add To My Mortgage

# Green Vendor POS Finance

10%

Interest Rates  
Unsecured

Personal Loan

10

Years  
Maximum  
term

# Affordability Comparison

LOAN TYPE	MORTGAGE EXTENSION	POS FINANCE LOAN
Borrowing	£10,000	£10,000
Term	25 Years	10 Years
Interest Rate	3%	10%
Monthly Payment	<b>£47</b>	<b>£129</b>
Total Payable	£14,153	£15,513
Golden Rule Ratio*	<b>5.7%</b>	<b>15.5%</b>

\*Economic yield on asset required (via rebates, utility bill savings, income etc.) to break even

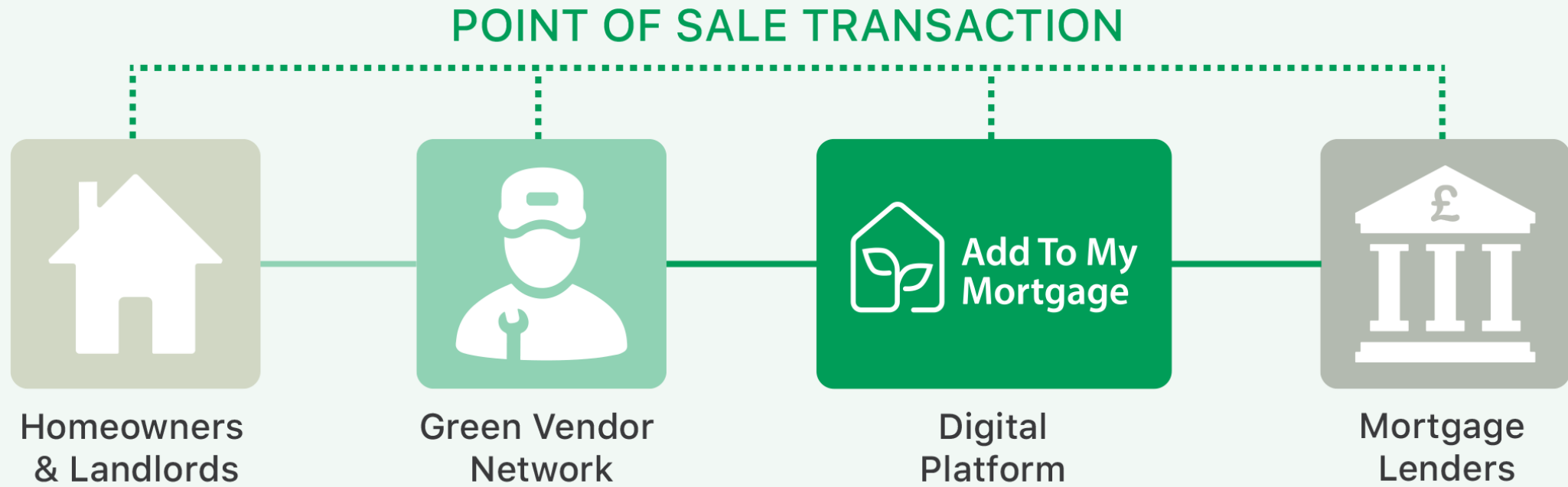
# Our Premises

- ▶ Mortgage additions are the natural way to fund green home investments, for both landlords and homeowners
- ▶ Green vendors are natural distributors for green finance
- ▶ Arranging additional mortgage borrowing today is difficult, slow and not joined up with the purchasing process





# The Innovation



# Customers

9 out of 10

would consider using it for a £10,000 home improvement.

89%

say it would make them more likely to consider investing in energy efficiency improvements.



“*Makes financial and environmental sense.*

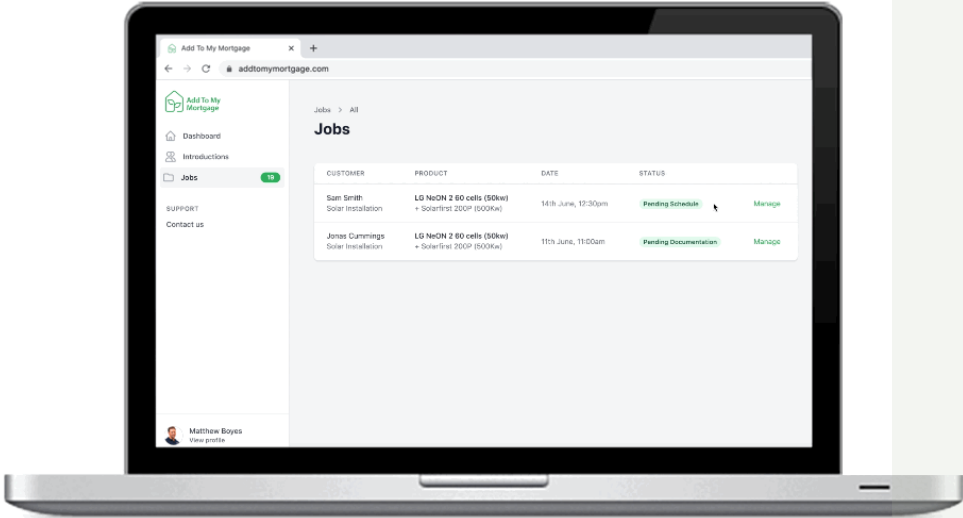
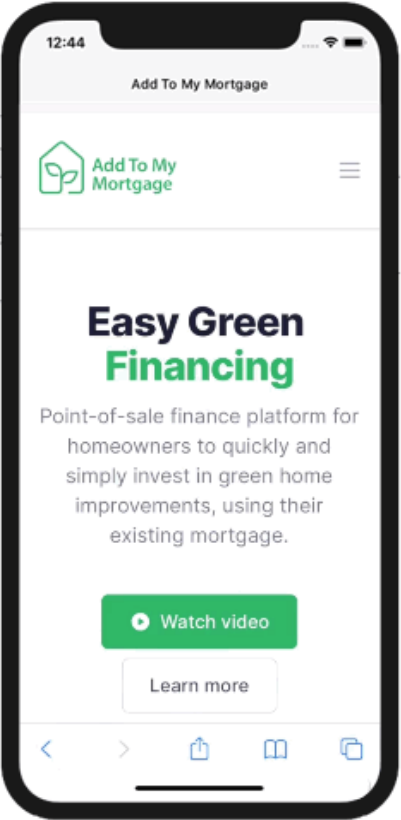
Homeowner

*It appears cheaper and less hassle - no separate payments just one monthly mortgage outgoing.*

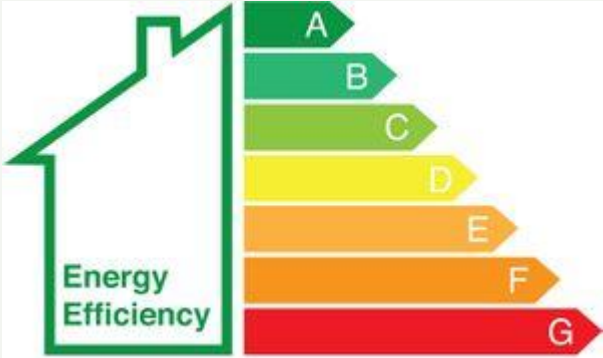
Homeowner

ATMM Market Research, June 2020

# Software Platform



# OPEN BANKING



# Green Vendors



“Potential to unlock an order of magnitude change in the rate at which we can deploy renewable measures in homes.

Kyle Grocott, CEO  
Phoenix Gas Services

# Mortgage Lenders



“*Practical yet innovative way that people can achieve their green ambitions and save on their household bills.*”

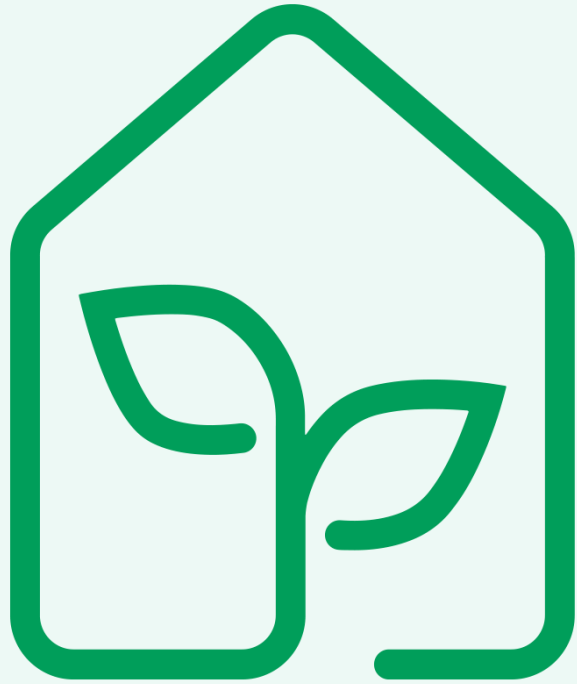
Lloyd Cochrane, Customer Goal Lead  
Home Buying & Ownership  
NatWest

# Holistic Benefits

- ▶ CO<sub>2</sub> Savings
- ▶ Fair by design
- ▶ Post COVID support for SMEs
- ▶ Directory of good Green Vendors

“£200B investment is needed in UK homes to improve energy efficiency if the Government’s 2050 net-zero CO<sub>2</sub> target is to be met.

Capital Economics Report  
FT, October 2019



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Mortgage**

# Thank you



## Financing Greener Homes

Key Findings from Research into UK Owner Occupiers & Private Landlords

12 Minute Read

September 2020



Winner of the Green Home Finance Innovation Fund Competition



## Helping Lenders Meet Green Loan Principles

The **Loan Market Association (LMA)** published the **Green Loan Principles (GLP)** in 2018. Properly followed, these principles give market participants confidence that their investments are helping to combat climate change.

**Add To My Mortgage (ATMM)** is a point-of-sale finance platform for homeowners to quickly and simply invest in green home improvements, using their existing mortgage.

Here, we explain how using **Add To My Mortgage** helps lenders ensure that Green Loans meet the LMA's Green Loan Principles.



Add To My Mortgage is winner of the Green Home Finance Innovation Fund Competition

“

*Rory Duff*



[addtomymortgage.com](https://addtomymortgage.com)

[rory.duff@bewarm.com](mailto:rory.duff@bewarm.com)

+44(0)7866 433 826