

# What Agents Have Said v4

CURRENT PROPOSITION	
1	<b>Loveitts</b>
1.1	<i>An interesting idea. It would be great to advertise that “we” could “buy” the house and certainly brings a unique selling point to our service.</i>
2	<b>Prospect</b>
2.1	<i>I think the whole proposal is very good</i>

PREVIOUS PROPOSITION	CURRENT PROPOSITION
3	<b>Nationwide</b>
3.1	<p><i>Conflict of interest [inability to reconcile purchasing property from one seller at a discount, whilst lending money to buyer secured on the same property based on a higher value]</i></p> <ul style="list-style-type: none"> <li>• If after proper marketing the seller takes our LTV it becomes MV.</li> <li>• The seller never has to sell at less than MV.</li> <li>• Any monies subsequently lent to a buyer and secured on the property [VAL FREE®] will be based on Sale Price or Valuation whichever is the lower</li> </ul>
3.2	<p><i>Narrow margin in falling market?</i></p> <ul style="list-style-type: none"> <li>• Can restrict / reduce offering in real-time.</li> </ul>
3.3	<p><i>Size of market?</i></p> <ul style="list-style-type: none"> <li>• Approx.338,000 annual house sales</li> </ul>

		(urban and no perils) in our Price Bands.
3.4	<i>Homeowners most interested when you are least willing to make an offer and vice versa</i>	<ul style="list-style-type: none"> <li>• CHAIN FREE® only available to homeowner whose house has been on Rightmove less than 10 weeks (homeowner can't take out "insurance" after claim)</li> </ul>
3.5	<i>Are you offering real value [discount on MV]?</i>	<ul style="list-style-type: none"> <li>• If after proper marketing during 20week Plan Membership Estate Agent is unable to sell property for more than LTV our LTV becomes MV.</li> <li>• CHAIN FREE® will enable seller to secure next property for lowest price (and reduce asking price by the discount on MV) whilst selling theirs through their estate agent for highest price.</li> </ul>
4	<b>Brit Insurance</b>	
4.1	<i>Volatility in housing market</i>	<ul style="list-style-type: none"> <li>• Market does not fall concurrently in all areas.</li> <li>• Can restrict / stop offering in real-time.</li> <li>• Product only offered in Local Authority Areas with stable/rising asset prices.</li> <li>• Force Majeure Clause (90% LTV &gt; 85% LTV).</li> <li>• Financial Indemnity Insurance (Sales less than LTV) STC.</li> </ul>
4.2	<i>Risk of mis-selling</i>	<ul style="list-style-type: none"> <li>• Trainer specialising in the property sector will train estate agents (Teams and Zoom)</li> <li>• Seller "self selects" on Application Form (i.e. determine for themselves if they are eligible)</li> <li>• Plan Membership T&amp;Cs and Finance Agreement are clear (no small print or weasel words)</li> <li>• Staff (not AI) answering Customer and Estate Agent questions with exclusive access to CHAIN FREE® and VAL FREE® Q&amp;As otherwise referred to CEO</li> </ul>

5	<b>Connells</b>	
5.1	<i>Potential market size / niche market?</i>	<ul style="list-style-type: none"> <li>• Our Opportunity / Our Market: 338,000 annual house sales (urban and no perils) in our Price Bands (£250K &gt; £700K).</li> <li>• 0.25% of Opportunity.</li> </ul>
5.2	<i>What happens if we give different valuation?</i>	<ul style="list-style-type: none"> <li>• No Estate Agent Opinion of Valuation</li> </ul>
5.3	<i>What's in it for us?</i>	<ul style="list-style-type: none"> <li>• Increased no. of clients selling and applicants buying against competition</li> <li>• If your client draws down you will be instructed by us at 1.5% plus £1,000 Success Fee if you sell your clients house for more than LTV.</li> </ul>
6	<b>West Bromwich Building Society</b>	
6.1	<i>Customer will not be comfortable with loan offer of 90%</i>	<ul style="list-style-type: none"> <li>• B2C Market Research (321 respondents in Sheffield, Southend and Solihull) suggested 63% consumers would be interested at 90% if only way of securing the house they had set their heart on.</li> <li>• B2B Market Research (250 estate agents offices/63,000 annual transactions) confirmed customers will find 90% acceptable.</li> </ul>
6.2	<i>Model assumptions / sale at 96% MV unproven</i>	<ul style="list-style-type: none"> <li>• Countrywide Surveyors confirmed in flat or oversupply conditions 95% to 100% MV achieved.</li> <li>• Spicerhaart Corporate Sales confirmed 104% MV generally achieved in 90 days (on market to exchange) and receive offers within 30 days.</li> </ul>
6.3	<i>Distributor must be recognised brand</i>	<ul style="list-style-type: none"> <li>• Any High Street Estate Agent</li> </ul>
6.4	<i>Reliance on estate agents is restrictive</i>	<ul style="list-style-type: none"> <li>• Agent or seller can make Application.</li> </ul>
6.5	<i>Product not so valuable when</i>	<ul style="list-style-type: none"> <li>• B2C Market Research suggests</li> </ul>

	<i>inflation / prices rising</i>	<p>consumers need it most when prices are rising.</p> <ul style="list-style-type: none"> <li>• Customers need to secure next property quickly against competition.</li> </ul>
6.6	<i>Deteriorating market greater risk / prices falling</i>	<ul style="list-style-type: none"> <li>• Houses do not all fall in value all at same time</li> <li>• Restrict to Local Authority Areas with rising/stable house prices.</li> <li>• Remove / restrict offering.</li> <li>• Financial Indemnity Insurance (STC)</li> <li>• Force Majeure Clause (90% LTV &gt; 85% LTV).</li> </ul>
7	<b>Countrywide</b>	
7.1	<i>Difficult to train staff to introduce product</i>	<ul style="list-style-type: none"> <li>• No different to delivering financial products through agency network.</li> <li>• Estate Agents will not advise.</li> <li>• Estate Agent only has to submit on-line Application Form</li> <li>• Trainer.</li> <li>• Bespoke Call Centre (Q&amp;As)</li> </ul>
7.2	<i>Difficult to train staff to collect fees</i>	<ul style="list-style-type: none"> <li>• No fee collection</li> <li>• Administration Fee paid through Worldpay.</li> </ul>
7.3	<i>Min. 90% MV?</i>	<ul style="list-style-type: none"> <li>• Can't make LTV higher.</li> </ul>
7.4	<i>Catch 22 for the seller is that any price you offer will always be less than we could ever recommend to a client that they sell for</i>	<ul style="list-style-type: none"> <li>• We do not buy your client's property.</li> <li>• You will always be able to sell their property for the highest possible price (you have 20 weeks).</li> <li>• Provided you have properly marketed their property and can't sell it for more than our LTV our LTV will be MV.</li> <li>• Your client's decision if they want to drawdown our LTV Price® (which will then be the MV of their property)</li> </ul>
8	<b>Rightmove</b>	
8.1	<i>Must have two valuations</i>	<ul style="list-style-type: none"> <li>• AVM (Rightmove) and RICS</li> </ul>

8.2	<i>Seen many chain-mending schemes</i>	<ul style="list-style-type: none"> <li>• CHAIN FREE® is a chain-avoiding insurance solution not a chain-mending one.</li> <li>• “Vulture funds/we’ll buy any house for cash” offer 10% to 25% less than MV and then....</li> <li>• A “peace of mind” product</li> <li>• Unique – the Customer</li> <li>• does not have to take LTV. (Insurance type arrangement)</li> <li>• does not have to sell.</li> <li>• never has to sell at less than MV.</li> </ul>
9	<b>John Goodfellow</b> (Ex MD Skipton)	
9.1	<i>Agent overpricing</i>	<ul style="list-style-type: none"> <li>• No Opinion of Valuation</li> </ul>
9.2	<i>Must be an extension to acceptance</i>	<ul style="list-style-type: none"> <li>• 20 weeks should be enough.</li> <li>• Could extend with another valuation (best keep Proposition simple).</li> </ul>
9.3	<i>Time for agent to get an offer?</i>	<ul style="list-style-type: none"> <li>• 20 weeks</li> </ul>
9.4	<i>Substantially increase prospective (£445) Administration Fee</i>	<ul style="list-style-type: none"> <li>• £340</li> </ul>
9.5	<i>Difficulties with Regularity Environment [estate agents]</i>	<ul style="list-style-type: none"> <li>• CHAIN FREE® not regulated.</li> <li>• only “signpost” so does not breach MMR rules.</li> </ul>
9.6	<i>Fee only payable by NON-EXITS</i>	<ul style="list-style-type: none"> <li>• Fee based business (insurance offering).</li> <li>• There must be an “opportunity” cost (keeping LTV available for 20 weeks).</li> </ul>
9.7	<i>Mainly Lifestyle Sellers (e.g. moving because of affordability, prestige, trading up, amenities)</i>	<ul style="list-style-type: none"> <li>• Also, Imperative Buyers</li> </ul>
9.8	<i>Mortgage for sellers next property?</i>	<ul style="list-style-type: none"> <li>• Application captures seller behaviour and intentions.</li> <li>• Privacy/T&amp;Cs of Application “Customer consents”</li> <li>• “first through the door” for Direct Marketing with no marketing costs (and no Transcription Fees for lender to pay).</li> <li>• SMART MOVE®</li> </ul>
9.9	<i>Will it work?</i>	<ul style="list-style-type: none"> <li>• Two 90% LTV options</li> </ul>

		<p>(AVM and RICS).</p> <ul style="list-style-type: none"> <li>• Only Local Authority Areas with stable/rising asset values</li> <li>• B2C and B2B2C Market Research.</li> <li>• Customer never has to sell at less than MV.</li> <li>• Agents secure clients selling and applicants buying from competitors.</li> <li>• Profitable with low volumes</li> <li>• Both ends covered - CHAIN FREE® for seller and VAL FREE® for buyer (and seller)</li> </ul>
10	<b>Legal &amp; General Insurance</b>	
10.1	<i>Finance not chains is the problem</i>	<ul style="list-style-type: none"> <li>• CHAIN FREE® designed to avoid chains - not mend them.</li> <li>• 20week Membership gives sellers time to source acceptable finance, (MMR rules).</li> <li>• VAL FREE® available to buyers of seller's property.</li> </ul>
10.2	<i>More demand in a rising market</i>	<ul style="list-style-type: none"> <li>• That is what homeowners say.</li> <li>• B2C Market Research yes</li> <li>• Chains get longer as confidence is rising (Source: RICS 17 August 2014).</li> </ul>
10.3	<i>Keep it simple</i>	<ul style="list-style-type: none"> <li>• Making sellers Proceedable Buyers</li> <li>• Open-bridge chain-avoiding solution while your Estate Agent is trying to sell your house for more</li> <li>• Albani does not buy your house which you will never have to sell for less than MV.</li> </ul>
11	<b>Countrywide</b>	
11.1	<i>Won't the price you can afford to pay for the property always be lower than that we can recommend to a client to accept?</i>	<ul style="list-style-type: none"> <li>• Client never has to sell at less than MV.</li> <li>• If after proper marketing the estate agent has been unable to sell their client's property for more than our price becomes MV</li> <li>• Client does not have to accept our LTV.</li> <li>•</li> </ul>

12	<b>LSL</b>	
12.1	<i>Unique?</i>	<ul style="list-style-type: none"> <li>• Yes</li> <li>• Gap in the Market</li> <li>• No obvious competition</li> <li>• Insurance type arrangement.</li> <li>• Homeowner does not have to sell (vulture funds commit homeowner who can't then sell for more)</li> <li>• Homeowner never has to sell for less than MV (other schemes when entered into, prevent this).</li> <li>• We work with, not against agents - increases footfall and earns additional fees (other schemes prevent agent selling sell for highest price)</li> <li>• Positioned as "security and peace of mind" (other schemes legally commit homeowner to price so can't sell for more)</li> </ul>
12.2	<i>Compelling?</i>	<ul style="list-style-type: none"> <li>• No legal commitment to sell.</li> <li>• Customer never has to sell at less than MV.</li> </ul>
13	<b>Home Funding</b> (Mortgage Services and Consultancy)	
13.1	<i>Tension between customer proposition at 90% LTV and funder appetite?</i>	<ul style="list-style-type: none"> <li>• Credit Enhancement (Financial Indemnity Insurance STC)</li> </ul>
13.2	<i>Keep it simple</i>	<ul style="list-style-type: none"> <li>• Enables homeowners to secure next property for lowest price before selling own through their own agent for highest.</li> <li>• Makes sellers Proceedable Buyers.</li> </ul>
14	<b>Kinleigh Folkard and Hayward</b>	
14.1	<i>Product description?</i>	<ul style="list-style-type: none"> <li>• Chain-avoiding solution</li> </ul>
14.2	<i>90% LTV preferable?</i>	<ul style="list-style-type: none"> <li>• Agreed</li> </ul>
14.3	<i>Properties not on market for previous 12 months will limit market penetration?</i>	<ul style="list-style-type: none"> <li>• Not a requirement</li> </ul>
14.4	<i>Restricting offer to properties in postal sectors with stable / rising property will</i>	<ul style="list-style-type: none"> <li>• Risk Management</li> </ul>

	<i>reduce market?</i>	
14.5	<i>If there is a strict sale timetable [NON-EXITS] can a force majeure Sale Price be achieved?</i>	<ul style="list-style-type: none"> <li>• Yes</li> </ul>
14.6	<i>Include higher Price bands over £500,000</i>	<ul style="list-style-type: none"> <li>• £500K &gt; £700K</li> </ul>
15	<b>Halifax</b>	
15.1	<i>Your proposition like others offering to buy property from sellers in a chain</i>	<ul style="list-style-type: none"> <li>• CHAIN FREE® a chain-avoiding insurance solution making sellers Proceedable Buyers</li> </ul>
15.2	<i>Only one financial product - single product company</i>	<ul style="list-style-type: none"> <li>• CHAIN FREE®</li> <li>• VAL FREE®</li> <li>• CHAIN MENDER®</li> <li>• SMART MOVE®</li> </ul>
16	<b>Shawbrook</b>	
16.1	<i>100% market fall?</i>	<ul style="list-style-type: none"> <li>• Market does not fall 100% at one time</li> <li>• Only Local Authority Areas with rising or stable property prices</li> <li>• In last 23 years house prices have only fallen -10% between September 2008 and July 2009 as a result of US financial crises (Source: HMLR).</li> <li>• Stops at 10 stages of Risk Management</li> <li>• Financial Indemnity Insurance (STC) for house sales less than LTV</li> <li>• Force Majeure (90% LTV &gt; 85% LTV).</li> </ul>



17	<b>Romans</b>	
17.1	<i>1% Resale Fee not enough</i>	<ul style="list-style-type: none"> <li>• 1.5%</li> </ul>
17.2	<i>Include purpose build flats</i>	<ul style="list-style-type: none"> <li>• No</li> </ul>
17.3	<i>£500 Success Fee OK</i>	<ul style="list-style-type: none"> <li>• £1,000</li> </ul>
18	<b>Stephen Shipperley</b> (Ex Connells Group Chairman)	
18.1	<i>Most people don't want a chain solution until they desperately need it</i>	<ul style="list-style-type: none"> <li>• The Home Owners Plan™ is an insurance arrangement</li> <li>• For 20weeks sellers avoid the <b>risk</b> of being caught in a chain (chains can break at the <i>last minute</i>)</li> <li>• When sellers join the Plan they have no legal commitment to sell their house (or to take our finance)</li> <li>• When homeowners join the Plan they can tell the seller's agent that they are a Proceedable Buyer (they know they can take our finance in 5 days)</li> </ul>
18.2	<i>Companies offering a chain solution generally don't want to provide it or if they do it's at a knockdown price.</i>	<ul style="list-style-type: none"> <li>• The Plan is not a quick fix (<i>we'll buy your house fast for cash</i>) offering sellers less than MV</li> <li>• When homeowners join the Plan they never have to sell for less than MV (we do not buy their house)</li> </ul>
18.3	<i>Introducing a chain solution at the earliest opportunity is almost a defeatist message when sellers are looking for the most positive outlook from their agent.</i>	<ul style="list-style-type: none"> <li>• During the sellers 20week Plan Membership sellers have the insurance of a <i>safety-net</i> while their agent continues selling their house for the <i>highest</i> price</li> <li>• Most sellers will use Our Offer of Finance to secure their next home for the <i>best</i> price and will not need to take our finance because their own agent had time to sell their old one for MV</li> </ul>