

AToM calls for return of tranches

BY **DAVID FRENCH**

All Types of Mortgages (AToM) has called for the return of pre-priced tranches to increase certainty for intermediaries.

The distributor claimed that with current turmoil in the credit market making it harder for lenders to maintain product rates, limited pre-priced tranches would give brokers faith that the product would remain at a given price.

To back up the claim, AToM insisted that 100 per cent of brokers it questioned would use a packager if it could offer guar-

anteed tranches of funds.

Vic Jannels, chairman of AToM, said: "Our research conclusively showed that brokers' biggest issue with recent events was the lender speed of withdrawal of products. By offering tranches of business the broker knows at application stage whether the funds are available and guaranteed; lenders equally have certainty at the outset."

Jannels also believed that packagers were ideally placed to offer the kind of guaranteed distribution that lenders were looking for. He added: "Packagers who rise to the chal-

lenge are ideally placed to manage these tranches of business. However, there will be pressure on all costs, including fees, and all parts of the distribution chain will have to demonstrate their value added."

Tony Capon, head of intermediary sales at Salt, said: "I think lenders would be happy to allocate funds if they got cast-iron guarantees that the distributor could place that business. But you could also have a compliance issue as if swap rates went south, those rates would no longer be competitive and brokers could no longer advise on them."