

Ann Jones AC / AM
Cadeirydd / Chair

Bae Caerdydd / Cardiff Bay
Caerdydd / Cardiff
CF99 1NA

7 December 2012

Dear Ann,

Thank you for your recent enquiry with respect to the Regulated Mobile Home Sites (Wales) Bill. The BBA have carefully considered your letter and have consulted with our members on the concerns you have expressed to us.

We note the suggested licensing changes seek to protect the mobile home occupants and facilitate straightforward transfers when the homes need to be sold, in addition to setting some minimum standards around inspections, all of which we welcome. We further advise that a number of bank lenders are able to provide finance for mobile homes and most commonly seek to do so over a 10 to 15 year period, though due to the nature and term of the site licence agreements and difficulties establishing ownership of the mobile home there are existing challenges associated with lending in this sector.

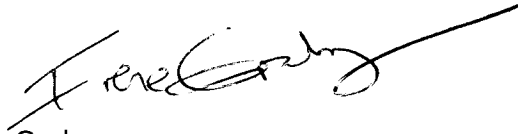
We are concerned that placing a 5 year licence restriction under the proposal could, negatively impact the ability of the industry to provide finance to the sector. Whilst each case would, of course be treated on its merits, the terms and conditions of any license will have a bearing on the risk of lending to the business in question. A change in the licensing arrangement that reduced the period over which repayment of finance would occur may result in concerns over affordability of the repayments. Given the obligation that banks have to lend responsibly, this may ultimately impact upon the availability of finance to the sector.

Furthermore, we do not believe that the impact is likely to be mitigated by a dual licensing regime under which an indefinite license was granted to a site, and a time limited personal license was granted to the owner and / or operator. With the site value alone providing limited security to a finance provider and when faced with a greater degree of uncertainty, we believe that such an arrangement would create further challenges to lending in the sector.

In summary, a number of bank lenders provide finance for mobile homes under existing licensing agreements. We are concerned that the proposals under the

Regulated Mobile Home Sites (Wales) Bill may have the unintended impact of making the provision of finance to the mobile home site sector more challenging, however would be pleased to discuss in more detail should you have further queries.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Irene Graham', with a long, sweeping horizontal line extending to the right.

Irene Graham
Managing Director, Business Finance

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