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MTF and Turners sign exclusive partnership to launch new loan product

Motor Trade Finance (MTF) has signed an exclusive partnership with integrated automotive financial services group Turners Limited to provide a non-recourse lending product to MTF's network of franchisees and dealers.

The new product has been developed in response to demand within the MTF network and will see Turners, through their subsidiary Dorchester Finance Limited, take on the risk associated with the loans originated by MTF's franchisees and dealers. Approximately 90% of the loans are expected to be for consumer purchase of motor vehicles, with the balance as commercial lending, mainly on trucks and machinery.

Glen Todd CEO of MTF commented: "For the first time, the MTF network will have access to a non-recourse product through MTF's lending platform. The addition of a non-recourse product gives our franchisees and dealers greater choice to meet their individual appetite for risk and return and grow their customer base, without exposing MTF shareholders to any additional risk. The non-recourse product complements our existing model and will leverage off our superior credit systems and processes. The platform is simple to use and the recourse/non-recourse option allows MTF franchisees and dealers to easily select the loan product that best meets their needs. We believe this offer provides a unique opportunity for MTF and its network."

CEO of Turners Limited, Todd Hunter, said: "We have had a long standing successful relationship with MTF and this is reflected in the substantial investment from both parties to get this product developed and launched to market."

Turners has an 8% shareholding in MTF and the joint initiative will further strengthen the partnership between the two organisations, providing a great outcome for MTF, the MTF network and Turners. The partnership is for an initial two year term, with the right to extend, and funding will be provided by Turners with the support of its banking partner, BNZ.

A pilot of the new loan product will commence in December 2016 with a progressive rollout across the MTF network from early 2017.

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