

# Product name: Non Homeowner BTL Range

Information sheet produced: 01 April 2023

Our approach to meeting the Products & Services Outcome and Price & Value Outcome – Information for distributors of the Product

This summary document is being provided to you to fulfil our responsibilities under PRIN 2A.4.15 R and PRIN 2A.3.12 R (2). –

It is designed to support you to comply with your responsibilities under PRIN 2A.3.16 R and PRIN 2A.4.16 R. Please note that you are ultimately responsible for meeting your obligations under 'The Consumer Duty'.

**This information is intended for intermediary use only and should not be provided to customers.**

## 1. Summary of our assessment

We have assessed that:

- our Non-Homeowner BTL product range continues to meet the needs, characteristics, and objectives of customers in the identified target market.
- the intended distribution strategy remains appropriate for the target market.
- the Product provides fair value to customers in the target market (i.e. the total benefits are proportionate to total costs).

## 2. Product characteristics & benefits

The products are designed to meet the needs of the target group, most notably the need to secure finance on a residential investment property for those that do not already own their own home. The product features and criteria are designed to support those needs.

- Fee free standard valuation.
- Up to 75% LTV.
- Up to £1m maximum loan size.
- Discounted or Fixed rate products with a product term of two to five years, subject to product availability.
- Product fees may be applicable but no application or booking fees are charged.
- Available on Interest Only and Capital and Interest Repayment basis.
- Cashback to support legal costs, subject to product availability.
- Available on new and existing properties.
- Maximum age at mortgage term – 90 years.
- Early Repayment Charges are applicable during the product term. Capital repayments, which are not subject to the above early repayment charge, can be made of up to 10% of the original loan amount in any 12 month period from the date of completion.
- This product is portable.

Full eligibility criteria can be accessed on our intermediary website via this [link](#).

Support for intermediaries

 **LEEK**  
Building Society

### 3. Target market assessment and distribution strategy

This target market assessment matrix segments the target customers for the Product, recognising their different needs to enable you to tailor the service you provide when you distribute the Product.

Customer Circumstances	Distribution Strategy	Customer Needs & Objectives
Borrowers looking to purchase a residential investment property in England or Wales	Available through Direct and Intermediary <sup>1</sup> channels.  Applications can be through advised and non-advised sales.	<ul style="list-style-type: none"> <li>• Access to lending up to 75% LTV.</li> <li>• To repay the capital by the end of the mortgage term.</li> <li>• To repay the capital as part of the monthly mortgage payments and/or through a suitable repayment strategy at the end of the mortgage term.</li> <li>• Become a landlord for the first time or purchase a subsequent investment property (max 3 mortgaged properties).</li> </ul>
Borrowers looking to re-mortgage a residential investment property in England or Wales	Available through Direct and Intermediary <sup>1</sup> channels.  Applications can be through advised and non-advised sales.	<ul style="list-style-type: none"> <li>• Access to lending up to 75% LTV.</li> <li>• To repay the capital as part of the monthly mortgage payments and/or through a suitable repayment strategy at the end of the mortgage term.</li> <li>• To fix their mortgage repayments for a defined period.</li> </ul>
Borrowers looking to transfer their mortgage to another product	Available through Direct and Intermediary <sup>1</sup> channels.  Applications can be through advised, non-advised and execution only.	<ul style="list-style-type: none"> <li>• Receive a lower rate as compared to the Society's Standard Variable Rate.</li> </ul>

<sup>1</sup> Intermediary distribution through:

- Networks and their Appointed Representatives.
- Mortgage Clubs
- Directly authorised mortgage intermediaries.

All intermediaries must be registered with us.



The Product is not designed for customers who:

- already own their own residential property.
- will live in the property.
- have a personal income less than £20,000 per annum.
- are set up as a Limited Company, Partnership, Limited Liability Partnership or layered companies.
- wish to finance an HMO.
- wish to let the property out as a Holiday Let.
- have a portfolio of more than 3 mortgaged properties.
- require short term finance or are planning to repay the mortgage within the product term.
- are credit impaired borrowers.
- do not meet our lending or property criteria.

#### 4. Customers with characteristics of vulnerability

The Product is designed for the BTL market segment, which is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time. First Time Landlords, in particular, are less likely to have a comprehensive understanding of mortgages or the mortgage market. Therefore, they may require additional advice and support to ensure that they understand the information being presented to them and the implications of the arrangement they are entering into to reduce the risk of harm occurring.

We considered the needs, characteristics and objectives of customers with characteristics of vulnerability at all stages of the design process for this Product to ensure the Product meets their needs.

We have also tested the Product to assess whether it will meet the identified needs, characteristics and objectives of the target market, including customers in the target market who have characteristics of vulnerability.

We have in place a framework to achieve good outcomes for vulnerable customers, which includes:

- Education and training for our staff to ensure they have the appropriate skills and experience to recognise and respond to the needs of vulnerable customers.
- Suitable customer service provision and communications.
- Flexible policies, where appropriate, to support vulnerable members.
- Monitoring to ensure we continue to meet and respond to the needs of customers with characteristics of vulnerability.

Intermediaries should continue to comply with your obligations to ensure that you treat customers in vulnerable circumstances fairly.

Please contact us if you need any further information about how we support the needs of all our customers in relation to the Product.

#### 5. Our assessment of value

We have developed a comprehensive and robust assessment process which evaluates several aspects of our business to determine the value of our mortgage product. This analysis is used to ascertain whether the Product delivers fair value for customers.

The outcomes of the assessment process are presented to the Board, allowing for challenge and further investigation before we sign-off the outcomes and share the summary of our assessment with you.

Our fair value assessment has considered the following:



Benefits	Price	Costs	Limitations
The range of features that the Product provides, the quality of the Product, the level of customer service that is provided and any other features that the Product may offer.	The interest rate, fees and charges customers pay for the Product, comparable market rates, advice fees paid to intermediaries and non-financial costs associated with operating the Product.	The cost of funding the Product and any other reductions in costs to the customer made possible by economies of scale.	Any limitations on the scope and service we provide or the features of the Product.

## 6. Results of our assessment

Our assessment concluded that the Product continues to deliver fair value for the customers in the target market for the Product.