



**Product name: Buy to Let Further Advance (F851)**

**Information sheet produced: 28<sup>th</sup> 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.4.15R 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 **Buy to Let Further Advance (F851)** product 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, this being members with an existing Penrith Building Society Buy to Let mortgage, who wish to borrow more for one of a number of permitted purposes. The product features and criteria are designed to support these needs.

- A discount scheme for an initial period of 3 years. Discount to be applied to the Society's Standard Variable Rate (SVR)
- Available for additional borrowing on Buy to Let property mortgaged to Penrith Building Society
- Overpayments (monthly or lump sum) up to a total of 10% of the outstanding loan per year are allowed without charge.
- This mortgage is portable, subject to suitable security and underwriting assessment.
- An early repayment charge will be payable if the mortgage is redeemed within the first three years

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

### 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 services you provide when you distribute the Product.

| Customer Circumstances  | Distribution Strategy   | Customer Needs & Objectives   |
|---|---|---|
| Member wants to borrow additional funds, secured against a buy to let property mortgaged to the Society | Available through Direct and Intermediary Channels<br><br>Broker or Direct Advised Sales Only | <ul style="list-style-type: none"> <li>• To repay the capital by the end of the mortgage term or repay interest over term supported by an appropriate repayment vehicle</li> <li>• Continue to generate an income from their property by letting it to tenants on an assured shorthold tenancy.</li> <li>• Source additional secured borrowing without the need to remortgage.</li> </ul> |

The Product is not designed for customers who:

- Have a residential or holiday let mortgage with the Society.
- Have a buy-to-let mortgage with another lender.
- Have an earned income of less than £20,000 per annum.
- Meet the FCA's definition of 'credit impaired'.
- Do not meet our lending or property criteria.
- Require a mortgage with no early repayment charges.
- Required a fixed rate mortgage.

### 4. Customers with characteristics of vulnerability

The Product is designed for the market segment defined above, which is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

We consider the needs, characteristics, and objectives of customers with characteristics of vulnerability at all stages of the design process and have 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.

Specifically, for this product we have noted:

- Where an applicant takes a discounted product, they may be more susceptible to the challenges of a higher reversionary rate and payment once the initial product term expires.
- Where an applicant takes a product with an initial tie-in period to obtain a discounted pay rate, they are exposing themselves to the risk of having to pay an early repayment charge should, for any reason, they need to repay the mortgage in full before the end of the initial tie-in period.

- Additional capital raising may be indicative of issues managing outgoings or debt. The desire to release capital to service debt or everyday expenditure may lead to harms around choice of product and erosion of equity

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 Product Development Committee, 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 rates, 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. |

### Results of our assessment

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