

Product range: BUY-TO-LET (BTL) Range

Information sheet produced: 30 April 2024

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 (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. The product features and criteria are designed to support these needs.

- Two year discounted variable rates
- Two year fixed rate options sometimes available – please check
- Up to 70% LTV
- Mortgage Term up to 40 years and to age 90
- Rental income must be at least 130% of the monthly mortgage payment, at the higher rate of 5.5%, or the current interest rate of the mortgage + 2%.
- You must have at least £20,000 income from non-rental income (£40,000 if Ex Pat).
- Availability on new and existing homes
- Available to specified ex-pats – if borrower based overseas then a UK based contact/ representative is required
- All our discounted variable rate schemes have a Floor Rate of 2.50%

Full eligibility criteria can be accessed on our intermediary website via [Intermediaries - Beverley Building Society : Beverley Building Society \(beverleybs.co.uk\)](https://www.beverleybs.co.uk).

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
Customers looking to purchase or remortgage a residential property in England or Wales	Available through Direct and Intermediary* channels Applications must be through an advised sale route.	To access a discounted or fixed rate for a defined period To repay the capital by the end of the mortgage term (either via a repayment mortgage or using a credible repayment vehicle alongside an interest-only mortgage) Become a BTL landlord
<p>*Intermediary distribution through:</p> <ul style="list-style-type: none"> • Networks and their Appointed Representatives • Mortgage Clubs • Directly authorised mortgage intermediaries <p>All intermediaries must be registered with us.</p>		

The Product is not designed for customers who:

- Have more than 3 BTL properties
- Are wanting to mortgage a Holiday Let
- Are First Time Buyers
- Are (or are intending to be) social landlords
- Are purchasing a home outside of England or Wales
- Are severely credit impaired borrowers
- Need a Shared Ownership mortgage
- Do not meet our lending or property criteria

4. Customers with characteristics of vulnerability

The Product is designed for customers wanting to fund a BTL property, which might to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

For inexperienced landlords the variability of rental income streams needs to be considered and is factored into our lending criteria. Our BTL borrowers must have experience of a residential mortgage, but still might require additional advice and support to ensure 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 reviewed 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. Where appropriate, and with any necessary customer consents, you should share relevant details with us so we can respond appropriately.

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
<p>All our residential mortgage are manually underwritten, allowing us to consider individual circumstances/ needs that might not be accommodated by an automated processing model</p> <p>Repayment, interest-only and Part-and-Part options available</p> <p>Terms up to 40 years available</p>	<p>You are reminded that all our discounted variable rate mortgages are linked to the Society's Standard Variable Rate and <u>not</u> to the Bank of England base rate or any other external reference</p>	<p>The cost of underwriting and setting up a mortgage, funding the Product and any other reductions in costs to the customer made possible by economies of scale</p>	<p>All our discounted variable rate and fixed rate mortgages have associated Early Repayment Charges applicable throughout the discount period. These Charges are commensurate with the costs that we incur in setting up the mortgage and are consistent with market norms</p>

			<p>Rental income must be at least 130% of the monthly mortgage payment, at the higher rate of 5.5%, or the current interest rate of the mortgage + 2%.</p> <p>All our discounted variable rate schemes have a Floor Rate of 2.50%</p>
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Results of our assessment

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