

## **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 fulfill 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.**

### **01. SUMMARY OF OUR ASSESSMENT**

We have assessed that:

- Our "Real Life" Residential 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).

### **02. PRODUCT CHARACTERISTICS & BENEFITS**

The products are designed to meet the needs of the target group looking to finance the purchase or remortgage their first or subsequent home. The product features and criteria are designed to support these needs.

- Fixed rate on 2 or 5-year terms
- Options to accommodate LTVs up to 75%
- Mortgage Term up to 40 years
- Fee options that can provide a lower Completion Fee, Valuation costs and cashback
- Option to borrow from £25,001 up to £1m (75% LTV)
- Available on new or existing homes

The Real Life range is designed for customers whose personal circumstances provide additional complexities regarding financial histories or incomes.

#### **RL4 provides for income profiles including but not limited to:**

- Self-employed trading 12-24 months, 1 year accounts using profit before tax.
- Self-employed trading over 24 months, 2 years accounts using profit before tax.
- Employed (with commissions, bonuses, car allowances, regional and shift allowances).

#### **RL4 provides for customers whose credit profile matches the following characteristics:**

- Maximum 2 missed payments in last 6 months allowed on each unsecured credit agreement. Arrears ignored if current balance is under £500.00.
- 3 secured arrears within 24 months, 0 missed in last 12 months.
- 3 CCJs within 36 months, 0 CCJ permitted between months 0-6. CCJ under £300 ignored.
- 4 unsecured agreement defaults within 36 months, 0 default in 0-6 months (utility and communications defaults are not considered adverse credit).
- Debt Management plans are considered.
- Discharged bankruptcy, IVA are permitted if older than 24 months and no adverse history in last 12 months.
- Repossession is permitted over 6 years discharged.
- Payday loans can be considered.

Alternatives are available elsewhere in the TML Residential Range that apply an alternative credit criteria. 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
<p><b>First Time Buyers (FTB). Borrowers who are buying their first home or who have not owned a home for 12 months.</b></p>	<p>Available via Intermediaries registered with TML: Appointed Representatives of Networks, Mortgage Clubs Directly Authorised Intermediaries and Specialist Distributors</p> <p>Advised Sales only.</p>	<ul style="list-style-type: none"> <li>• A product that has been designed to assess and utilise self-employed or variable/disrupted sources of income.</li> <li>• Product has been designed to allow for more recent or numerous adverse credit issues and/or past bankruptcy/IVA/repossession (see above).</li> <li>• It is more likely that these will be customers at an earlier lifestage looking to extend borrowing;</li> <li>• An LTI of 4.5x to utilise existing incomes (subject to affordability) across terms up to 40 years</li> <li>• New build and existing properties</li> <li>• Fixed rates to offer certainty of payment for fixed period</li> <li>• Fee Assistance available to help with upfront costs will be especially favoured by first time buyers.</li> </ul>
<p><b>Subsequent Buyers. Borrowers looking to purchase their next or final home.</b></p>	<p>Available via Intermediaries registered with TML: Appointed Representatives of Networks, Mortgage Clubs Directly Authorised Intermediaries and Specialist Distributors</p> <p>Advised Sales only.</p>	<ul style="list-style-type: none"> <li>• A product that has been designed to assess and utilise self-employed or variable/disrupted sources of income.</li> <li>• Product has been designed to allow for more recent or numerous adverse credit issues and/or past bankruptcy/IVA/repossession (see above).</li> <li>• A broad range of customers with a wide set of circumstances covering second purchase (with extended borrowing) to final homes.</li> <li>• Broad applicant LTV (but still to 75% LTV)</li> <li>• Potential to use LTI of 4.5x to utilise existing incomes (subject to affordability) across terms up to 40 years</li> <li>• New build and existing properties</li> <li>• Fixed rates to offer certainty of payment for fixed period</li> <li>• Fee Assistance available to help with up front costs.</li> </ul>
<p><b>Remortgage - refinancing</b></p>	<p>Available via Intermediaries registered with TML: Appointed Representatives of Networks, Mortgage Clubs Directly Authorised Intermediaries and Specialist Distributors</p> <p>Advised Sales only.</p>	<ul style="list-style-type: none"> <li>• A product that has been designed to assess and utilise self-employed or variable/disrupted sources of income.</li> <li>• Product has been designed to allow for more recent or numerous adverse credit issues and/or past bankruptcy/IVA/repossession (see above).</li> <li>• A broad range of customers with a wide set of circumstances covering refinance of existing mortgage arrangements</li> <li>• Broad applicant LTV (but still to 75% LTV)</li> <li>• Potential to use LTI of 4.5x to utilise existing incomes (subject to affordability) across terms up to 40 years</li> <li>• Fixed rates to offer certainty of payment for fixed period</li> <li>• Fee Assistance available to help with upfront costs</li> </ul>
<p><b>Remortgage - raising capital (including a combination of refinancing and capital raising)</b></p>	<p>Available via Intermediaries registered with TML: Appointed Representatives of Networks, Mortgage Clubs Directly Authorised Intermediaries and Specialist Distributors</p> <p>Advised Sales only.</p>	<ul style="list-style-type: none"> <li>• A product that has been designed to assess and utilise self-employed or variable/disrupted sources of income.</li> <li>• Product has been designed to allow for more recent or numerous adverse credit issues and/or past bankruptcy/IVA/repossession (see above).</li> <li>• A broad range of customers with a wide set of circumstances and reasons for capital raising. Includes debt consolidation.</li> <li>• Broad applicant LTV (but still to 75% LTV)</li> <li>• Potential to use LTI of 4.5x to utilise existing incomes (subject to affordability) across terms up to 40 years</li> <li>• Fixed rates to offer certainty of payment for fixed period</li> <li>• Fee Assistance available to help with upfront costs</li> </ul>

**The Product is not designed for customers who:**

- Do not pass our lending or property criteria
- Fail our affordability tests
- Have significant current financial difficulties
- Do not intend to reside in the property
- It has been explained that this proposition is aimed at those who's circumstances, needs and objectives are best met by products available from specialist lender. It is difficult to foresee circumstances where a customer who has received a recommendation for a TML product would also be able to easily access mainstream alternatives.
- The range is not designed to give customers that cannot afford the loan access to finance. There are measures within the product range that help with structuring costs (such as the fee assistance package) but this does not overcome the fundamental long-term affordability assessment that is undertaken on each customer.

**04. CUSTOMERS WITH CHARACTERISTICS OF VULNERABILITY**

First Time Buyers: the need for extended borrowing may create conduct not aligned to the customer's own best interests. Similarly, FTBs are less likely to have a comprehensive understanding of mortgages or the mortgage market and may require a greater level of engagement in the advice process. We do not expect any of our customers (FTB or subsequent purchasers) to have a comprehensive understanding of mortgages, the mortgage market, or the financing alternatives available to them. They require advice and support to ensure they understand the information being presented to them and the implications of the arrangement they are entering. Receiving good advice is critical to reduce the risk of customer harm.

Remortgaging: We do not expect any of our customers to have a comprehensive understanding of mortgages, the mortgage market, or the financing alternatives available to them – this is despite refinancing an existing mortgage. They require advice and support to ensure they understand the information being presented to them and the implications of the arrangement they are entering. Receiving good advice is critical to reduce the risk of customer harm. There are a broad set of reasons why customers may be accessing equity to raise capital, including debt consolidation. Capital raising may indicate individual circumstances relating to stresses from lower excess income (but equally does not always indicate financial stress). This is highly individual and based upon an assessment of the applicant's position reinforcing the importance of appropriate advice.

The Real Life range is designed for customers whose personal circumstances provide additional complexities regarding financial histories or incomes, which is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time. Some higher potential of vulnerability compared to mainstream lenders arising from reduced financial resilience indicated by lower credit score/income complexity.

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.

## 05. 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 Strategy 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:**

Benefit	Price	Costs	Limitations
<ul style="list-style-type: none"> <li>The range of benefits and features that the product provides to fulfil customer needs.</li> <li>The quality &amp; level of customer service provided through the life of the loan.</li> </ul>	<ul style="list-style-type: none"> <li>The ongoing cost for the customer for both the fixed term and the variable rate thereafter for the term of the loan</li> <li>Completion Fee as optioned by the Customer.</li> <li>Fees and charges incurred as part of the application process before fund transfer as set out in the Tariff of Fees (with options for assistance).</li> <li>Fees and charges incurred post completion for services performed as set out in the Tariff of Fees (with options for assistance).</li> <li>Average Broker Fee charged by intermediaries to cover their costs of operation and advice.</li> </ul>	<ul style="list-style-type: none"> <li>The costs incurred by TML to fund the product.</li> <li>TML costs for processing of the Application.</li> <li>Operational running costs of TML</li> <li>Procuration Fees payable to intermediaries</li> <li>Service Provider costs involved with assessing, completing or managing the loan – for example, legal fees.</li> </ul>	<ul style="list-style-type: none"> <li>We are unable to lend to all customers or agree all applications. Please read this alongside our Lending Criteria.</li> </ul>

## RESULTS OF OUR ASSESSMENT

**OUR ASSESSMENT CONCLUDED THAT THE PRODUCT CONTINUES TO DELIVER FAIR VALUE FOR CUSTOMERS IN THE INTENDED TARGET MARKET.**

The Mortgage Lender Limited is authorised and regulated by the Financial Conduct Authority (Financial Services Firm Reference Number 707058).

Our Buy to Let mortgages are not regulated by the Financial Conduct Authority. Registered in England & Wales as company number 9280057.

Registered office address: Lutea House, Warley Hill Business Park, The Drive, Great Warley, Brentwood, Essex, CM13 3BE.