

Residential Mortgages

Progress

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 residential mortgage product range (the "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 looking to finance the purchase or remortgage of their first or subsequent home and/or raise capital. The product features and criteria are designed to support these needs.

- Fixed rate products with and without fee assisted variations that may cover Completion Fee, Valuation costs and cashback.
- Capital & Interest, Part & Part and Interest Only repayment methods
- Mortgage term up to 40 years
- Available for new and existing homes
- Options to accommodate up to 85% LTV
- Minimum loan £50,000
- Maximum loan £1m up to 75% LTV, £750k up to 85% LTV

Progress provides for income profiles including, but not limited to:

- Employed (with commissions, bonuses, selected allowances such as car, regional or shift)
- Self-employed trading 12-24 months, assessed using 1 year's accounts, profit before tax
- Self-employed trading over 24 months, assessed using 2 years accounts, profit before tax
- Part of their income can be made up of benefit income

Progress provides for customers whose credit profile matches the following characteristics:

- 0 unsecured in 3 months
- 0 secured arrears in 12 months, 2 in 24 months
- 0 CCJs in 24 months, maximum £2,000 unsatisfied if registered in the last 48 months
- 0 Defaults in 12 months, maximum £2,000 unsatisfied if registered in the last 36 months (utility and communications defaults are not considered adverse credit)

- No history of Bankruptcy, IVA, DRO or LILA
- 0 Debt Management Plans in 12 months
- 0 Pay day loans in 12 months

Alternatives are available elsewhere in the LendInvest product range that have alternative criteria.

Full eligibility criteria can be accessed on our intermediary website via the following link:

<https://docs.lendinvest.com/web/public-pdfs/resi-mortgages/criteria-guide.pdf>

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.

Distribution Strategy (applies to all circumstances)

Available via Intermediaries registered with LendInvest: Appointed Representatives of Networks, Mortgage Clubs, Directly Authorised Intermediaries and Specialist Distributors.

Advised Sales only.

Customer Circumstances

First Time Buyers (FTB). Borrowers who are buying their first home or who have not owned a home for 12 months.

Customer Needs & Objectives

- A product that has been designed to assess and utilise self-employed or variable/non-standard sources of income.
- Limited recent credit adverse (see above).
- It is more likely that these will be borrowers at an earlier life stage, looking to extend borrowing.
- Higher LTV (up to 85%) to borrow with lower available equity.
- An LTI of 4.49x to utilise existing incomes (subject to affordability), across terms up to 40 years.
- Higher earners (as defined in Residential Criteria Guide) may qualify for enhanced income multiples up to 4.99x income.
- Key Workers (defined in Residential Criteria Guide) may qualify for enhanced income multiples up to 5.49x income.
- New build and existing properties.
- Fixed rates to offer certainty of payment for fixed period.
- Fee assisted options available to help with up front costs may be especially favoured by first time buyers.
- Capital & Interest Repayment is an option. Interest Only and Part & Part repayment options to finance larger loan sizes, with a clear repayment strategy in place. Please refer to the Criteria Guide for a list of acceptable repayment strategies.

Subsequent Buyers. Borrowers looking to purchase their next or final home.

- A product that has been designed to assess and utilise self-employed or variable/non-standard sources of income.
- Limited recent credit adverse (see above).
- A broad range of customers with a wide set of circumstances covering second purchase (with extended borrowing) to final homes.
- Higher LTV (up to 85%) to borrow with lower available equity.
- An LTI of 4.49x to utilise existing incomes (subject to affordability), across terms up to 40 years.
- Higher earners (as defined in Residential Criteria Guide) may qualify for enhanced income multiples up to 4.99x income.
- Key Workers (defined in Residential Criteria Guide) may qualify for enhanced income multiples up to 5.49x income.
- New build and existing properties.
- Fixed rates to offer certainty of payment for fixed period.
- Fee assisted options available to help with up front costs may be especially favoured by first time buyers.
- Capital & Interest Repayment is an option. Interest Only and Part & Part repayment options to finance larger loan sizes, with a clear repayment strategy in place. Please refer to the Criteria Guide for a list of acceptable repayment strategies.

Customer Circumstances

Customer Needs & Objectives

Remortgage - refinancing

- A product that has been designed to assess and utilise self-employed or variable/non-standard sources of income.
- Limited recent credit adverse (see above).
- A broad range of customers with a wide set of circumstances covering refinance of existing mortgage arrangements.
- Broad applicant LTV (including up to 85% LTV).
- An LTI of 4.49x to utilise existing incomes (subject to affordability), across terms up to 40 years.
- Higher earners (as defined in Residential Criteria Guide) may qualify for enhanced income multiples up to 4.99x income.
- Key Workers (defined in Residential Criteria Guide) may qualify for enhanced income multiples up to 5.49x income.
- Fixed rates to offer certainty of payment for fixed period.
- Fee assisted options available to help with up front costs may be especially favoured by first time buyers.
- Capital & Interest Repayment is an option. Interest Only and Part & Part repayment options to finance larger loan sizes, with a clear repayment strategy in place. Please refer to the Criteria Guide for a list of acceptable repayment strategies.

Remortgage - raising capital (including a combination of refinancing and capital raising)

- A product that has been designed to assess and utilise self-employed or variable/non-standard sources of income.
- Limited recent credit adverse (see above).
- A broad range of customers with a wide set of circumstances and reasons for refinancing including potential debt consolidation.
- Broad applicant LTV (including up to 85% LTV).
- An LTI of 4.49x to utilise existing incomes (subject to affordability), across terms up to 40 years.
- Higher earners (as defined in Residential Criteria Guide) may qualify for enhanced income multiples up to 4.99x income.
- Key Workers (defined in Residential Criteria Guide) may qualify for enhanced income multiples up to 5.49x income.
- Fixed rates to offer certainty of payment for fixed period.
- Fee assisted options available to help with up front costs may be especially favoured by first time buyers.
- Capital & Interest Repayment is an option. Interest Only and Part & Part repayment options to finance larger loan sizes, with a clear repayment strategy in place. Please refer to the Criteria Guide for a list of acceptable repayment strategies.

This product is not designed for customers who:

- Do not pass our lending or property criteria
- Fail our affordability tests. There are measures within the product range that help with structuring costs, but these do not overcome fundamental long-term affordability assessments that are undertaken for each customer.
- Have current significant financial difficulties
- Do not intend to reside in the property
- Are entities other than individuals
- Are not UK residents, including foreign nationals
- Are able to easily access mainstream alternatives. This is due to the proposition being aimed at individuals whose circumstances, needs and objectives are best met by products available from specialist lenders.

4. Customers with characteristics of vulnerability

Our residential product range is designed for borrowers whose personal experience and 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. There may be some higher potential of vulnerability compared to mainstream lenders arising from reduced financial resilience indicated by lower credit scores or income complexity.

LendInvest has appropriate policies and procedures in place to address vulnerable customers. These include:

- 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, including an awareness that vulnerability may occur in a wide range of circumstances.
- Flexible policies, where appropriate, to support vulnerable customers.
- 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 LendInvest Regulated Lending Product Committee and LLL 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 individual underwriting and ongoing customer service, including technological ease of administration, that is provided.	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. Costs associated with the operational management of the Product and customer base. Costs associated with potential losses associated with non payment.	Any limitations on the scope and service we provide or the features of the product. We are unable to lend to all customers or agree all applications. Please refer to our Lending Criteria for more information.

Results of our assessment

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