

Product name: Buy to Let (BTL)

Information sheet produced: 25/04/2023

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 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, to purchase or remortgage a property to rent. The product features and criteria are designed to support these needs:

- Minimum loan £50,000, maximum loan £1,500,000 subject to LTV (Loan to Value)
- Available to applicants who have a deposit of up between 20% and 40% depending on the type of letting.
- Rental Cover required will vary depending on tax status varying from 125% of expected pay rate for a basic rate taxpayer to 145% for a higher rate taxpayer.

- The use of any borrower’s surplus income to subsidise a rental shortfall will be considered.
- Mortgage term up to 40 years
- Discounted or fixed products – subject to availability
- Interest only and repayment options available
- Overpayments of up to 20% p.a. allowed.

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 |
|--|---|--|
| Applicants aged over 21 looking to purchase a property to rent in the England, Wales or Scotland | Available through Direct & Intermediary* channels via advised sales only. | <ul style="list-style-type: none"> • Become the owner of a property used to rent. • To repay the capital by the end of the mortgage term. |
| Applicants aged over 21 looking to remortgage in England, Wales or Scotland. | Available through Direct & Intermediary* channels via advised sales only. | <ul style="list-style-type: none"> • To refinance existing mortgage on a property used to rent. • To repay the capital by the end of the mortgage term. • Raise additional capital. |
| <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 Bath Building Society.</p> | | |

The Product is not designed for customers who:

- Are First Time Buyers
- Are letting a property that is not in England, Wales, or Scotland
- Are credit impaired borrowers.
- Do not meet our lending or property criteria.
- Are purchasing a property for their own occupancy.



4. 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 Conduct & Operations 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 provided and any features that the product may offer. | The interest rate the 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 the Product continues to deliver fair value for customers in the target market for the Product.

