

**Product name:** Multi Unit Freehold Block (MUFB)

**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 MUFB 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 re-mortgage a property to rent as a MUFB (Maximum 3 Units). The product features and criteria are designed to support these needs:

- Minimum loan £50,000, maximum loan £1,500,000 subject to Loan to Value (LTV).
- Available to applicants who have a minimum deposit of 30%.
- The property must be split into individual units with its own address and council tax liability.
- Rent must cover 150% of pay rate.

- 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

Customer Circumstances	Distribution Strategy	Customer Needs & Objectives
Applicants aged over 21 looking to purchase a property to rent in England, Wales & Scotland.	Available through Direct & Intermediary* channels via advised sales only.	<ul style="list-style-type: none"> <li>• Become the owner of a Multi Unit Freehold Block.</li> <li>• To repay the capital by the end of the mortgage term.</li> </ul>
Applicants aged over 21 looking to re-mortgage a property to rent in in England, Wales & Scotland.	Available through Direct & Intermediary* channels via advised sales only.	<ul style="list-style-type: none"> <li>• To refinance the existing mortgage</li> <li>• To repay the capital by the end of the mortgage term.</li> <li>• Raise additional capital to purchase further property.</li> </ul>
<p>*Intermediary distribution through:</p> <ul style="list-style-type: none"> <li>• Networks and their Appointed Representatives.</li> <li>• Mortgage clubs.</li> <li>• Directly authorised mortgage intermediaries.</li> </ul> <p>All intermediaries must be registered with Bath Building Society.</p>		

The Product is not designed for customers who:

- Are First Time Buyers
- Applicants intending to purchase a property with over 3 units within the Freehold of the property.
- Are non-UK residents
- Are credit impaired borrowers.
- Do not meet our lending or property criteria.
- Are purchasing a property to occupy/already occupy the property.

### 4. Customers with characteristics of vulnerability

The Product is designed for relatively experienced borrowers and are not therefore likely to be any more vulnerable than any other mortgage customer.

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 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. 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 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.

