



## Product name: Buy for Uni Mortgage Range

Information sheet produced: 1<sup>st</sup> 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 for Uni mortgage 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**

Our Buy for Uni mortgage product is designed to meet the needs of the target group, being students aged between 18 and 30 years old that wish to buy a property to live in during their studies, using income from renting spare rooms to meet mortgage payments. The target market will have parent joint borrower that may also provide additional security if a 20% deposit cannot be provided. The product features and criteria are designed to support these needs.

- Discounted interest rate
- Interest only option
- No early repayment charges
- Terms of up to 35 years
- Available up to 100% LTV (with additional security from parent – cash or property)
- Parent as a joint borrower, student is sole proprietor
- Rental income used in affordability calculation

Full eligibility criteria can be accessed on our intermediary website via this link.

[Lending Criteria \(thevernon.co.uk\)](https://thevernon.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
Student first time buyers that wish to purchase a residential property in England or Wales and rent spare room to cover mortgage costs. Parent joint borrower providing additional security where LTV is >80%	Available through Vernon mortgage advisors & intermediaries. Applications through advised sale only.	<ul style="list-style-type: none"> <li>- Students that want to avoid paying rent and instead buy and rent spare rooms for income</li> <li>- Parental support is available as a joint borrower and for additional security where necessary</li> </ul>

The Product is not designed for customers who:

- Are purchasing a property to let
- Do not meet our lending criteria
- Do not have access to parental support
- Do not need parental support

#### 4. Customers with characteristics of vulnerability

The Product is designed for younger customers that are purchasing a home, which is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time. The customers are likely to have limited experiences of managing their finances, however in all cases parental support is necessary which mitigates this. Extensive information is provided at pre-sale and sale stages including Q&As for borrowers and parent helpers. Parent helpers must have independent legal advice.

The Society considers the needs, characteristics, and objectives of customers with vulnerability at all stages of the product design process to ensure that the product meets their needs. A framework is in place to consider the needs of Vulnerable Customers throughout the product lifecycle / customer relationship with the Society.

As a 'Distributor' intermediaries should continue to comply with your obligations to ensure you treat customers with characteristics of vulnerability 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 Executive Committee, allowing for challenge and further investigation before we sign-off the outcomes and share the summary of our assessment with you.

The Society will only market products where it is concluded that the product offers fair value to customers. Any product identified as not offering fair value to customers will not be approved.

Our fair value assessment has considered the following:

<b>Benefits</b>	<b>Price</b>	<b>Costs</b>	<b>Limitations</b>
The range of features that the mortgage products provide, the quality of the products, the level of customer service that is provided and any other features that the products may offer.	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.	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.

Document Owner	Product Manager
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