



Product name: Shared Equity (SE) including Help To Buy (HTB) Mortgage Products

Information sheet produced: 30/04/2023

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 Shared Equity (SE) and Help To Buy (HTB) 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, most notably, customers who need the help of a mortgage to purchase a property or remortgage, who are eligible and have been accepted by an approved scheme's agent (e.g., Government, Local Authority or Housing Association).

The product features and criteria are designed to support these needs.

- Arrangement must be through a registered Housing Association, Registered Social Landlord or through a Government or Local Authority approved and funded schemes.
- Allows first time buyers and home movers.
- Our products enable customers to purchase, remortgage and remortgage to partially repay their equity loan.
- SE Schemes inherently provide customers with some protection from negative equity in a falling house price increase scenario.
- Tapered Early Repayment Charges apply during the product term.
- 10% capital repayments are allowed each year without incurring an Early Repayment Charge, unless otherwise stated.
- Product transfer available at the end of product term.

Shared Equity and Help to Buy products can be constructed differently in order to provide options to meet the individual needs of customers or groups of customers within the target market. These options (subject to product availability) may include Fixed Rates, Discounted Rates, Tracker Rates,

Cashback, Fee Free and Fee Payable products. Individual customer needs must be considered in the advice provided to customers to ensure the most appropriate product is sold to them.

Full eligibility criteria can be accessed on our intermediary website via link – [Leeds Building Society Intermediary webpage](#).

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
Customers looking to purchase or remortgage a property using a registered approved and funded SE or HTB scheme.	<ul style="list-style-type: none"> • Intermediaries* (Advice) (SE and HTB) • Direct Telephone (Advice) (Shared Equity only) • Online (Direct and Execution Only) (Shared Equity only) 	<ul style="list-style-type: none"> • Purchase a residential home using a shared equity scheme. • Remortgage an existing shared equity mortgage to fix repayments, reduce interest rate charges or remortgaging and partially repaying their equity loan. • Ability to refinance their LBS mortgage at the end of the product rate. • Ability to increase their equity share of a property at any time during the term of the mortgage up to a maximum 100%, subject to demonstrating affordability.
<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 the FCA and on the Society's broker panel.</p>		

The Product is not designed for customers who:

- Require an initial equity loan of more than 40% of the current market value.
- Require an equity loan that is not on an interest free basis secured by a 2nd charge on the property (exception of Help to Buy equity).
- Intend to use non-government schemes that charge interest and / or a fee on the equity loan or where rent is paid.
- Intend to use schemes where repayment of the Equity Loan becomes due before mortgage ends.
- Require a loan which is in excess of the product specific maximum loan sizes or minimum loan sizes.
- Require Interest only and / or Part & Part
- Require a mortgage term which extends into retirement.
- Do not meet our lending or property criteria

4. Customers with characteristics of vulnerability

The Product is designed for SE and HTB customers, which is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

There is potential however for this product to attract cohorts of customers who are First Time Buyers and have lower incomes who have less financial experience and resilience when compared to other

mortgage borrowers. Therefore, they may require additional advice and support to ensure they understand the information being presented to them and the implications of the arrangement they are entering into to reduce the risk of harm occurring.

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 our formal governance 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 is provided and any other features that the Product 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 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.