



Product name: Shared Ownership

Information sheet produced: May 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 Shared Ownership 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, the need to secure finance on a Shared Ownership property. The product features and criteria are designed to support these needs.

- The products provide a variable or fixed rate of interest.
- Variable Rates are controlled by us, meaning that the rate may go up as well as down
- Interest is calculated on a daily basis
- Variable rates have a floor
- The product may offer an initial discount for a period of time, after any initial discount period, the product will revert to our Standard Variable Rate for the remaining term of the mortgage unless an alternative product is selected.
- The product may require the payment of a product fee on application or completion, and an Early Repayment Charge if the borrower redeems the mortgage during any initial discounted period. The product may allow repayment of a percentage of the capital balance annually without incurring Early Repayment Charges
- Manual underwriting with applications assessed on a case-by-case basis
- Dedicated underwriting support
- Available on new and existing homes subject to LTVs
- Availability for Residential House Purchase & Re-mortgage for Shared Ownership

- Ability to staircase the property to further share or full ownership
- Maximum LTV 90% of share
- Properties in England & Wales only
- The Society will require scheme providers to be a registered Housing Association or Registered Provider appearing on <https://www.gov.uk/government/publications/registered-providers-of-social-housing>
- Standard Scheme Only

Full eligibility criteria can be accessed on our intermediary website via this link. <https://srbs.co.uk/intermediaries/criteria>

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 re-mortgage a Shared Ownership residential property in the UK	<p>Available through Direct, *Intermediary & *Online Channels.</p> <p>All applications through advised sale only.</p> <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 us.</p>	<p>Borrowers who are seeking flexibility of a variable rate</p> <p>For customers who have chosen to purchase a share of a property – Joint Owner with Housing Association (Shared Ownership). Standard Shared Ownership Scheme Only</p> <p>Ability to staircase the property to further share or full owners</p>

The Product is not designed for customers who:

- Require Shared Ownership under the Rural/Protected Scheme, Older Persons Scheme or HOLD (Home Ownership for people with Long Term Disabilities)
- Are credit impaired borrowers
- Have an overall income more than £80,000 (£90,000 in London)
- Are purchasing a property to let
- Do not meet our lending or property criteria
- Do not meet our lending policy
- Are unable to staircase to 100% with a minimum of 10% increments
- Are purchasing or remortgaging properties outside of England & Wales

4. Customers with characteristics of vulnerability

The Society categorises Vulnerabilities as shown below: -

Health – Health conditions or illnesses that affect ability to carry out day to day tasks;

Life Events – Life events such as bereavement, job loss or relationship breakdown;

Resilience – Low ability to withstand financial or emotional shocks;

Capability – Low knowledge of financial matters or low confidence in managing money (financial capability). Low capability in other relevant areas such as literacy, or digital skills.

The Product is designed for the Shared Ownership market segment which is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

Shared Ownership could be less likely to have a comprehensive understanding of the implications of the Shared Ownership mortgage. 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.

Shared Ownership customers may also include First Time Buyers, who by their nature would also be less likely to have a comprehensive understanding of the implications of both the Shared Ownership Scheme, and of entering the financial commitment of a first mortgage.

Shared Ownership customers may also include borrowers who are retired, who by their nature may also be less likely to have a comprehensive understanding of the product and may have characteristics of vulnerability which could include health, resilience, and capability.

Shared Ownership customers may also include borrowers whose mortgage term will extend past their defined national retirement age, which may lead to characteristics of vulnerability which could include health, resilience, and capability.

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 Product Development 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
<p>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.</p> <p>Dedicated and Direct Customer Contact through our Mortgage Sales Team, Underwriting Team, and Member Services Team.</p>	<p>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.</p>	<p>The Society has considered the following as part of our Fair Value Assessment</p> <p>Cost of funding; Market Rates and charges for comparable products; Other costs incurred by the Society in manufacturing or distributing the product including credit risk.</p>	<p>Any limitations on the scope and service we provide or the features of the Product.</p> <p>England & Wales Only</p>

Results of our assessment

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