

EMBARGOED: information on this document is NOT FOR PUBLICATION before midday on 19 July 2024

For intermediaries only



Owner Occupier Professional Mortgage Semi-Exclusive*

Available for purchase and remortgage on a capital and interest repayment basis

Product name	Initial interest rate	Followed by our Managed Mortgage Rate	APRC	Max LTV	Product code	Early Repayment Charges	Product Fee
5 Year Fixed Rate until 30/11/2029	5.34%	8.44%	7.5%	80%	XF0853	5% until 30/11/2025 4% until 30/11/2026 3% until 30/11/2027 2% until 30/11/2028 1% until 30/11/2029	£999

* Exclusively available to selected intermediaries as determined by Family Building Society.

KEY INFORMATION

- **Application Fee:** £175, plus any Valuation Fees
- **Valuation Fees:** £0 for properties up to £500,000; above £500,000 a discount of £330 from the standard Valuation Fee scale applies
- **Product Fee:** £999 for loans up to £500,000. For loans above £500,000, 0.30% of the advance, payable when the mortgage starts
- **Cashback:** We offer £500 cashback towards legal costs for remortgage applications
- **Minimum Loan:** £45,000
- This mortgage allows for a **maximum of two applicants**
- The security property must be the applicants' main residence, with all applicants occupying the security at completion
- The mortgage term must not extend beyond the expected retirement ages of the applicants
- **Maximum Loan to Income:** 5.33 subject to standard affordability. Contact your BDM for more information.

ELIGIBILITY CRITERIA

- **At least one of the applicants must hold an acceptable professional qualification** (or currently be training for such a qualification), **and work within the field relating to that profession**
- Applicants will need to supply evidence that they hold an acceptable qualification (or are training towards this)
- **Fully qualified professionals** must have received their qualification **within the last 10 years**
- **Self-employed applicants** working within the field relating to their profession may be considered on a **case-by-case basis**.

Table of eligible professions and acceptable qualification boards overleaf >

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Eligible professions and acceptable qualification boards:

Profession	Acceptable qualification board(s)
Accountant	Association of Chartered Certified Accountants (ACCA) Chartered Institute of Management Accountants (CIMA) Chartered Institute of Public Finance and Accountancy (CIPFA) Institute of Chartered Accountants in England & Wales (ICAEW) Institute of Chartered Accountants of Scotland (ICAS)
Actuary	Institute and Faculty of Actuaries (IFoA)
Architect	Architects Registration Board (ARB)
Barrister	The Bar Council
Commercial Airline Pilot	Civil Aviation Authority (CAA)
Dentist	General Dental Council (GDC)
Engineer	Institute of Engineering and Technology Incorporated Engineers (IEng) Institute of Engineering and Technology Chartered Engineers (CEng)
Medical Doctor	General Medical Council (GMC)
Solicitor	Law Society of England & Wales Law Society of Scotland
Surveyor	Royal Institute of Chartered Surveyors (RICS)
Veterinarian	Royal College of Veterinary Surgeons (RCVS)

For a personalised illustration, call our Mortgage Desk on **01372 744155**

These mortgage products have limited funds available and may be withdrawn at any time. Our mortgages are available to applicants aged 18 and over for properties in England or Wales.

This information should be read in conjunction with the separate sheets: 'Additional Information about our Mortgages' and our 'Getting a mortgage: what you need to know' guide, which provide important information about our mortgage services.

Family Building Society is a trading name of National Counties Building Society which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

OWNER OCCUPIER PROFESSIONAL MORTGAGE PRODUCT



Our approach to meeting the Products & Services Outcome and Price & Value Outcome – Information for distributors of our Professional Mortgage 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 Fair Value assessment

As of June 2024, we have conducted our assessment in line with our internal Fair Value Framework. This has concluded that our Professional Mortgage product provides fair value to customers within the target market, and there is a reasonable relationship between the benefits of the product and the price paid. We also conclude that the distribution strategy remains appropriate; and the products continue to meet the needs, characteristics, and objectives of the intended target market.

When reaching this conclusion, we have considered several relevant factors. More detail is provided in section 5 of this document.

2. Product characteristics & benefits

Our Professional Mortgage is designed to meet the needs of the target group, being professionals who are employed (or currently training) within well-established industries and career paths, looking to purchase or remortgage their property on an Owner Occupier basis.

Key product characteristics are summarised below:

- Higher than normal maximum LTI of 5.33 times joint income (subject to standard affordability).
- Access to borrowing up to a maximum of 80% LTV
- Capital Repayment only
- Monthly payments will be fixed for a defined period
- Valuation fee costs are either free (for properties up to £500k) or discounted (for properties above £500k)
- £500 cashback towards legal costs for remortgages
- 10% annual overpayment allowance which can be used to reduce the mortgage capital balance without incurring an Early Repayment Charge
- Product rate can be ported to another property

- All mortgage applications are manually underwritten, providing a more personal approach to lending decisions
- Customers benefit from standard service facilities at no additional cost, such as **a)** the option to administer accounts online, by telephone (standard geographic call charges) or post; **b)** annual statements, and **c)** the ability to switch to a new product at the end of the initial term without incurring another product fee.

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
Consumers buying or remortgaging residential property for owner occupation in England & Wales where at least one of the consumers holds an acceptable qualification or is currently training for such a qualification, and currently works in the field related to that profession. Mortgage term must end on or before their intended retirement age at application.	Either Direct [^] applications or via selected intermediaries*. Only available through advised sale.	<ul style="list-style-type: none"> ▪ To finance the purchase of a new property, or to borrow money against the value of a home already owned ▪ To live in the mortgaged property ▪ Access to an enhanced affordability assessment compared to our standard available income multiples ▪ To repay the capital by the end of the mortgage term.
<p>[^] Direct applications via our in-house Mortgage Advice Service, through our team of qualified Mortgage Advisors</p> <p>*Intermediary distribution through selected:</p> <ul style="list-style-type: none"> - Networks and their Appointed Representatives - Mortgage Clubs - Directly Authorised mortgage intermediaries - Packager firms (must be registered with us). 		

Our Professional Mortgage product is not designed for customers who:

- Are purchasing a property to let
- Are seeking to borrow more than 80% of their property value
- Are seeking a loan amount of less than £45,000
- Require flexibility of repaying the total loan amount without incurring an Early Repayment Charge
- Are wanting to buy a property that is outside of England or Wales and/or do not reside in England or Wales
- Do not meet our standard lending or property criteria

- Are severely credit impaired.

4. Customers with characteristics of vulnerability

Our Professional Mortgage is designed for professionals employed (or currently training) within well recognised and established industries and career paths. Given the broad target market, it is likely to include a proportion of customers with characteristics of vulnerability, or who will experience vulnerability over time. For instance, individuals who are in the process of training when applying for a 'Professional Mortgage' with us, who subsequently do not qualify within that career path, will be liable for a larger loan repayment value than they might have otherwise been, given the higher affordability calculation at application.

Over time, these customers' personal circumstances, plans or objectives may change throughout the mortgage term. Therefore, they may require advice and support to understand 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 our 'Professional Mortgage' product, to ensure this product meet their needs.

We have in place a framework to achieve good outcomes for vulnerable customers, including:

- All customers are required to receive advice on the suitability of an Owner Occupier mortgage, either from our in-house advice team or their intermediary
- 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
- Dedicated team who acts as main point of contact for any vulnerable customers
- Monitoring to ensure we continue to meet and respond to the needs of customers with characteristics of vulnerability.

Intermediaries should continue to comply with their obligations to ensure that they are treating 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 our 'Professional Mortgage' product.

5. Our approach to Fair Value assessments

Our Fair Value assessments are conducted during the design stage of any potential new product line, or when a significant amendment to an existing product line is proposed (such as a material change to the target market, or the benefits and/or limitations applicable to the product). Assessments are then regularly conducted, at least annually throughout the life of the product, to review whether our products continue to deliver fair value for our customers. All assessments are conducted in line with the Society's internal Fair Value Framework, which has been approved by the Executive Committee and presented to the Board of Directors.

Fair value assessments are undertaken within the Product Development team. A summary of the documented assessments is provided to our Assets and Liabilities Committee for noting, with any pertinent details or results also made available to the Society's Product Review Working Group.

Our fair value assessment has considered the following:

Benefits:

- The range of features attributed to our Professional Mortgage product. Both 'financial' and 'non-financial' benefits have been reviewed.

Price:

- Interest Rates relative to a wide range of market pricing for similar products in a competitive marketplace
- Any price differentiation present within this category
- Contingent fees, with particular focus on the most significant of these, being the Exit/Early Repayment Charges
- Consideration of our distribution methods and the impact this may have on price paid
- Non-financial costs, namely our processing times from application to offer stage, and offer to completion.

Limitations:

- Any limitations of the Product (either on the scope and service we provide or the product features themselves).

Whilst the assessment framework allows for regular review of fair value, we recognise that, due to the nature of our product set, some factors may be subject to ongoing change as markets develop. Examples of such factors include, but are not limited to, interest rates within the market, shifts in funding costs (largely linked to retail savings market interest rates, as well as the markets for financial instruments), and non-financial costs such as application times and service standards. Metrics in relation to such factors are regularly monitored and assessed as a part of business-as-usual activities, with any resulting actions being taken by the relevant business area as deemed necessary.

Results of our assessment

Our most recent assessment conducted in June 2024 has concluded that our Professional Mortgage product continue to deliver fair value for customers within the target market, and there is a reasonable relationship between the benefits and price paid for these products.