

## Regulated Bridging Product

### Consumer Duty – Fair Value Assessment

#### **Greenfield Mortgages approach to meeting the Products & Services Outcome and Price & Value Outcome – Information for distributors of our Products.**

This document is provided following our responsibilities under PRIN 2A.4.15R and PRIN 2A.3.12 R(2).

It is designed to support intermediaries and 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 FCA regulated bridging product range continues to meet the needs, characteristics, and objectives of customers in the identified target market.**

Our products provide fair value to customers in the target market, namely the total benefits are proportionate to total costs.

The intended distribution strategy remains appropriate for the target market.

## 2. Product features and benefits

**Our products are designed to meet the needs of the target group, most notably the need to raise money quickly, against property located in England and Wales, for a specific short-term purpose; including chain breaking, downsizing, auction purchase and property refurbishment.**

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

Borrowers must have a credible method of repayment at the term end.

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

### Product Features

We lend throughout England & Wales

Loans from 75,000 to £1,000,000

Terms up to 12 months

Up to 70% loan to value

Fast turnarounds

No minimum income requirements

No monthly payments

Fixed rate products

Minimum term 1 month

All cases are considered and priced on their own merits

### Product Benefits

We are able to support with bridging throughout much of the country.

We have a lending range available to support many requirements.

Our bridging product is designed to be used for a specific event and to encourage customers to repay as soon as they can to avoid additional costs.

The product is designed to support a level of customer cash contribution or alternatively adding additional security.

Funds can often be released speedily to support customer urgent requirements.

Exit is normally the sale of property, so the customer does not need to evidence income.

The loan is repaid with a bullet-repayment on redemption, so the customer does not need to pay monthly.

Customer certainty of cost for the period of the product, with no surprises.

After the minimum term our regulated product's interest is calculated daily. There are no early repayment charges or exit fees.

There is no credit scoring as manual underwriting allows for fair individual assessment.

### 3. Target market assessment and distribution strategy

**Our assessment of the target customers for our product range is recognising their different needs to enable you to tailor the services you provide when you distribute our product range.**

**We only distribute our product range through the following financial intermediaries:**

- Networks and their appointed representatives.
- Directly authorised firms including packagers and specialist distributors.

**Our bridging products are not designed for customers who:**

- Want to borrow for longer than 12 months.
- Want to be able to port product to a different property or switched during the term.
- Want to pay interest during the term.
- Do not meet underwriting criteria.
- Have adverse credit history.

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### 4. Examples of how we can assist

#### Downsizing

Where a customer has found the perfect property, but not yet sold. We can fund the purchase until their current home is sold.

#### Chain Breaking

Where bridging funding is required to enable the property chain to complete speedily.

#### Auction Purchases

Often where speed is essential. We can fund the purchase for up to 12 months until the client's exit is in place.

#### Property Refurbishments

We can fund the purchase and light refurbishment of the property until the work is completed.

#### Unmortgageable Properties

If a property is uninhabitable, it's probably unmortgageable too. We can fund the purchase until the improvements have been made.

#### Quick Equity Release

When funds are urgently required, we have been known to complete as speedily as 7 days.

## 5. Customers with characteristics of vulnerability

**Our products are designed for a market segment which is often underserved by high street lenders, this may include some customers with characteristics of vulnerability or who will experience vulnerability at some time. Such borrowers are less likely to have a comprehensive understanding of mortgages or the mortgage market. 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 our product range to ensure it meets their needs. We have also tested the product range 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 the requirement for all customers to receive independent mortgage advice from an appropriately qualified mortgage advisor. The requirement for all customers to receive independent legal advice from an appropriately qualified solicitor.

We also have 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. Our lending policy dictates how affordability is assessed to ensure all customers enter our lending products with sufficient means to repay the debt. We have flexible policies, where appropriate, to support vulnerable customers. We have monitoring in place 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 range.

## 6. 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 bridging products. This analysis is used to ascertain whether the product range delivers fair value for customers.**

**The outcomes of the assessment process were presented to our Board, allowing for challenge and further investigation before we signed-off the outcomes.**

**Our fair value assessment has considered the following:**

### **Benefits**

The range of features that the product range provides, the quality of the product range, the level of customer service that is provided and any other features that the product range may offer.

### **Pricing**

The interest rates, fees and charges customers pay for the product range, comparable market rates, procurement fees paid to intermediaries and non-financial costs associated with operating the product range.

### **Costs**

The cost of funding the product range and any other reductions in costs to the customer made possible by economies of scale.

### **Limitations**

Any limitations on the scope and service we provide or the features of the product range.

### **Results of our assessment**

Our assessment concluded that our regulated bridging product range continues to deliver fair value for customers in the target market.

