

Product name: Self Build Mortgages
Information sheet produced: 13/04/2023

The Society's (we/ our) approach to meeting the 'Products & Services Outcome' and 'Price & Value Outcome' of the Consumer Duty – Information for Distributors (you / your) of the Product

This summary document is being provided to you to fulfil our responsibilities under PRIN 2A.4.15R and PRIN 2A.3.12R (2).

It is designed to support you to comply with your responsibilities under PRIN 2A.3.16R and PRIN 2A.4.16R. 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 self-build 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

Products are designed to meet the needs of the target market, most notably the need of a borrower to build their own home. Product characteristics and benefits are as follows:

- The customer can receive funds in arrears or in advance of each build stage
- Discounted rate increased if borrowers opts to build an eco-friendly home
- Can be repaid by capital and interest or interest only, however sale of the property will not be an acceptable repayment strategy.
- Products are discount for term; therefore, the customer will not revert to a higher Standard Variable Rate.
- Mortgage term up to 40 years.
- Early Repayment Charge waived if build completed before the end of the ERC period and the customer opts to remain on an alternative product with the Society.

Full eligibility criteria can be accessed on our intermediary website via dudleybuildingsociety.co.uk/intermediaries/intermediaries/our-criteria

All products can be accessed on our intermediary website via: dudleybuildingsociety.co.uk/intermediaries/intermediaries/products/

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 build their dream home.	<p>Available for purchase or remortgage applications</p> <p>Applications must come through an intermediary.</p>	<ul style="list-style-type: none"> • Access to high LTV • To be able to switch onto a residential product once the build is finished • To repay the capital by the end of the term • Build their own home and have a sense of achievement by the end of the build • To have the option to have their capital in advance or arrears • To receive extra support if they are building an eco-friendly home.
<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>		

The Product is not designed for:

- Borrowers who are not building a house
- Borrowers who do not plan to live in the property
- Completed residential properties
- Borrowers who will only have part equity
- Borrowers who require a part & part mortgage
- Borrowers who do not meet our lending or property criteria
- Borrowers who need a short-term mortgage
- Borrowers who require the Help to Build scheme
- Borrowers who are looking for a fixed rate mortgage

Customers with characteristics of vulnerability

We consider 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.

It is unusual for self-build borrowers to be first time buyers. They are often homeowners looking to upgrade to a 'dream home'. They are usually financially astute, although they may underestimate the cost, time and effort required to complete their project. In the event the project stalls, either through lack of cash or inability to secure key tradesmen, the borrower may not have a permanent residence and could therefore become vulnerable. The Society only accepts business from reputable

intermediaries who have a self-build specialism and can advise the borrower at all stages of the build. The Society obtains regular updates on the progress of the build via re-inspection reports. A re-inspection will be required at each stage prior to funds being released to the customer. This is an £80 fee which will be payable by the customer.

We have in place a framework to achieve good outcomes for vulnerable customers. This includes the following:

- A Vulnerable Persons and Financial Abuse Policy which outlines the definitions of vulnerability, identifying vulnerability and dealing with vulnerable customers.
- The Society ensures its employees are educated and trained to identify and respond to the needs of vulnerable customers.
- The Society aims to tailor its communication methods based on the customers' individual preferences.
- Accounts are monitored to ensure the Society continues to respond to the needs of customers with characteristics of vulnerability.

You should continue to comply with your obligations to ensure that you treat customers in vulnerable circumstances fairly.

Please contact our Intermediary Support Team on 01384 489 195, or email us at intermediaries@dudleybuildingsociety.co.uk, if you need any further information about how we support the needs of all our customers in relation to the Product.

4. 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 second line of defence, allowing for challenge and further investigation before we finalise the outcomes and share the summary of our assessment with you. Findings are presented to the relevant committees and Board.

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; 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.