

Residential Mortgages

Complex Income - Resi 0, 1, 2, 3 & 4

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 "Complex Income" residential mortgage product range (the "Product") 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 residential mortgage range, and this Product, is designed to meet the needs of the target group, most notably where the income to support the mortgage loan is derived from multiple sources, or may not be straightforward (e.g. employed) in nature. There may also be an element of historic or minor credit issues (which are explained and resolved), supported by robust affordability, to finance their desired home. The product features and criteria are designed to support these needs.

- Fixed rate products with fee assisted variations.
- Capital & Interest, Part & Part and Interest Only repayment methods.
- Mortgage term up to 40 years
- Available for new and existing homes
- Green property options available
- First Time Buyers are eligible for the products
- Maximum 90% LTV (with lower maximum LTV on Resi 2, 3 & 4)
- Enhanced Loan To Income ("LTI") as part of the affordability assessment for higher earners

Full eligibility criteria can be accessed on our intermediary website via the following link:

<https://docs.lendinvest.com/web/public-pdfs/resi-mortgages/criteria-guide.pdf>

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
<p>Complex Income where the income to support the mortgage loan is derived from multiple sources or may not be straightforward (e.g. employed) in nature.</p> <p>There may be some customers that have historic or minor credit issues. The circumstances of which can be explained and for which it can be demonstrated that such issues are now resolved.</p>	<p>Available through intermediaries* only and subject to a fully advised service.</p>	<ul style="list-style-type: none">• Access to high LTV mortgage lending, dependant on credit quality• Access to higher LTI mortgage lending, dependant on proven income• To fix their costs for a defined period• To have flexibility in their repayment method

**Intermediary distribution through:*

- Networks and their Appointed Representatives.
- Mortgage clubs.
- Directly authorised mortgage intermediaries.

All intermediaries must be registered with us and FCA authorised.

The Product is not designed for customers who:

- are entities other than individuals
- are not UK residents, including foreign nationals
- are borrowers that cannot demonstrate a satisfactory track record in relation to previous credit that is within LendInvest's flexible eligibility requirements
- are borrowers who do not / cannot pass an affordability assessment based on their verified income and expenditure
- are borrowers who want to borrow beyond LendInvest's appetite for LTV and LTI
- are purchasing a property to let
- do not meet our wider lending or property criteria

4. Customers with characteristics of vulnerability

The Product is designed for borrowers who have some element of complexity to their income stream. This may also be coupled with some history of credit arrears, and is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

The specific characteristic of vulnerability that may be demonstrated within this customer segment is the potential for non regular income sources. Additionally, due to their income profile, this may be coupled with some difficulty with financial planning and management.

LendInvest has appropriate policies and procedures in place to address vulnerable customers. These include:

- 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, including an awareness that vulnerability may occur in a wide range of circumstances.
- Flexible policies, where appropriate, to support 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 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 LendInvest Regulated Lending Product Committee and LLL Board, 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 individual underwriting and ongoing customer service, including technological ease of administration, that is provided.	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. Costs associated with the operational management of the Product and customer base. Costs associated with potential losses associated with non payment.	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.

