

Product Name: Residential Second Charge Mortgages
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Our approach to meeting the Products & Services Outcome and Price & Value Outcome - Information for distributors of the Product Range

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

Spring Finance Ltd have assessed that:

- Our Residential Second Charge 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 and the amount paid by the customer is reasonable, relative to the benefits of the product

2. Product characteristics & benefits

The products are designed to meet the needs of the target market, primarily the need to secure finance on a home.

The products features and criteria are designed to support their needs which includes:

- Capital raise to fund debt consolidation
- Capital raise to fund home improvements
- Capital raise to purchase another property or fund business expansion/development
- Loan term from 2 to 30 years
- Fixed and variable rate options
- Product fees can be added to the loan advance
- Overpayments of up to 10% per annum without incurring an early repayment charge
- Further advances available subject to account conduct

Full eligibility criteria can be found on our intermediary website:

www.springfinance.co.uk/intermediaries-document-library

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 distributing the product:

Customer circumstances	Distribution strategy	Customer needs & objectives
Customers with less than perfect credit that may have been declined by banks or high street lenders	Available through Intermediary channels only	Ability to fix costs for a defined period, or to have flexibility in selecting a tracker rate
Customers with high levels of equity looking to capital raise a smaller loan amount than a traditional first charge mortgage	Applications must be through an advised sale only	Ability to repay the capital by the end of the term
Customers with non-standard income	All intermediaries must be registered with Spring Finance Ltd	Ability to capital raise on their existing property

This product is not designed for customers who:

- Are over the age of 80 at the end of the term
- Want a loan term of less than 2 years
- Are unable to evidence their income
- Want an interest only mortgage
- Who may wish to port their mortgage to another property

4. Customers with characteristics of vulnerability

The Product is designed for existing homeowners which is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

We considered the needs, characteristics, and objectives of customers with characteristics of vulnerability within the customer journey to help provide products that meet their needs.

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

- Training and educating our staff to ensure they have the necessary skills and experience to identify and respond to the needs of vulnerable customers
- Suitable customer service provision and communications
- Flexible policies to provide appropriate support to 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 a comprehensive assessment process which evaluates several aspects of our business to determine whether the Second Charge Residential Mortgage Product Range delivers fair value for our customers.

The outcomes of the assessment are reviewed and approved through our governance processes, 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 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	The interest rates, fees and charges that customers pay for the product range, comparable market rates and fees paid to intermediaries	The cost of funding the product range and any other costs incurred in the servicing of the product range	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.