



ARBUTHNOT LATHAM

Bankers since 1833

Product Summary:

Regulated Mortgages

(For Professional Advisers Only)

Product Purpose

The purpose of a regulated mortgage is to provide funds to individuals to fund the purchase of residential property or re-mortgage existing debt. A mortgage could also be used to release equity from an individual's property.

Please be aware Arbuthnot Latham does not offer Lifetime Mortgages or Home Reversion Plans.

Key Risks

For variable rate mortgages, increases in the Bank of England base rate may result in increases in the mortgage interest rate and regular mortgage payments.

If clients fail to meet their required obligations as detailed in their mortgage contract, the client's home may be repossessed.

Target Market Assessment

Positive Target Market

- ✓ Individuals above the age of 18.
- ✓ UK resident/domiciled individuals looking to buy or secure lending against a residential property within the UK.
- ✓ Non-resident/non-domiciled individuals looking to buy a residential property within the UK.
- ✓ Individuals looking to purchase property where:
 - The property is valued over £1,000,000
 - Borrowing more than £500,000
 - Maximum Loan to Value is typically up to 60% and 70% by exception
 - Term of 15 years or less
- ✓ Individuals who have credible means of repaying the mortgage and who can afford the level of borrowing requested (affordability to be assessed by the bank).
- ✓ Individuals who want to deal with a person when arranging their mortgage and do not want to use a self-serve model.
- ✓ Individuals with more complex financial needs.

Negative Target Market

- × Individuals under the age of 18

- × Individuals looking to take out borrowing secured on property outside of the UK
- × Individuals looking to borrow less than £500,000.
- × Individuals with less than a 40% deposit unless there are mitigants.
- × Individuals with a borrowing requirement of more than 15 years
- × Individuals who do not have credible means of repaying the mortgage or individuals who cannot afford the amount of borrowing that they are requesting (affordability to be assessed by the bank)
- × Individuals with poor credit history from events such as CCI's, defaults and bankruptcy self-certification

Vulnerable Client Considerations

We take a proactive approach to understand the nature and extent of vulnerability in our target market and customer base. Our Product Management Team manage all aspects of the product lifecycle and have procedures in place to ensure vulnerable clients are considered as part of product and service design.

Our understanding of vulnerability within our target market and customer base will be reviewed annually, or sooner where a significant event occurs which is likely to have an impact on our understanding of vulnerability within our customer base.

Distribution Strategy

The product is suitable for distribution to individuals who meet the positive target market and are advised by an Arbuthnot Latham Regulated Mortgage Adviser.

Value Assessment

The fees associated with the product will be detailed in the European Standardised Information Sheet and Conditional Mortgage Offer. An assessment of the value provided to clients of Arbuthnot Latham Mortgages has been completed and concludes that the product provides fair value. No material issues have been identified and Arbuthnot Latham expects the product to continue providing value for the foreseeable future.

Information Suitable for Provision to Retail Customers

Clients will be provided with a European Standardised Information Sheet, an Adequate Explanations Letter, a Mortgage Advice Letter and both a Conditional and Binding Offer Letter.

Outcome of Product Review

The Consumer Duty product review conducted by Arbuthnot Latham on the Mortgage products identified no material issues requiring remedial action.