

Product name: Self Build Mortgages

Information sheet produced: 27/04/2023

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 Self Build 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 Products provide fair value to customers in the target market (i.e., the total benefits are proportionate to total costs).

2. Product characteristics & benefits

The products are designed to meet the needs of the target group, and are designed for customers looking to Self Build, custom build, renovate or convert a property to be their main home, but who are unable to finance the project entirely with savings and where the project would mean customers are unable to access Standard Residential mortgage products due to expected property conditions through development. The product features and criteria are designed to support these needs

Key Features:

- Customers are able to access funds in stage release during the build in arrears.
- Self-build mortgages are available for a 2-year product term to match terms and conditions that expect all projects to be completed within 2 years
- Funds are made available on the basis of estimated costs to achieve each stage and agreed at application stage. Funds are not subject to valuation.
- Further advances are not currently available

Key eligibility criteria

Full eligibility criteria for Residential mortgages can be accessed on our intermediary website via [this link](#) with additional criteria for Self Build mortgages [here](#).

3. Target market assessment and distribution strategy

This target market assessment matrix segments the target customers for the Products, recognising their different needs to enable you to tailor the services you provide when you distribute the Products.

Customer Circumstances	Distribution Strategy	Customer Needs & Objectives
<p>Customers looking to Self Build, custom build, renovate or convert a property to be their main home, but who are unable to finance the project entirely with savings and where the project would mean customers are unable to access Standard Residential mortgage products due to expected property conditions through development.</p>	<ul style="list-style-type: none"> • All self-build mortgages are distributed through Buildloan • Buildloan provide a packaging service that supports Brokers and customers to understand the cost profile of their project, create all necessary documentation and liaise with the Society to ensure projects meet criteria. 	<ul style="list-style-type: none"> • Access to a mortgage to enable Self Build their home • Access to a mortgage to enable custom build or renovations • Access to a mortgage to convert a property to be their main home • Access to suitably structured funding • Access to confidence funds during the build • The security of a fixed rate of interest for a period • The flexibility of a discounted variable rate mortgage

The Product is not designed for customers who:

- Do not meet our lending policies.
- Are seeking to let the property
- Not looking to build or renovate their home

4. Customers with characteristics of vulnerability

The intended target market for this Product is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

We have in place a framework to achieve good outcomes for vulnerable customers, which includes:

- Understanding the needs of our target market and customer base
- Ensuring staff have the right skills and capabilities to recognise and respond to the needs of vulnerable customers
- Responding to customer needs throughout product design, flexible customer service provision and communications
- Monitoring and assessing whether we are meeting and responding to the needs of customers with characteristics of vulnerability, and making improvements where this is not happening

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 Products.

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 products. This analysis is used to ascertain whether the Products deliver fair value for customers.

The outcomes of the assessment process are presented and approved through our Governance process, allowing for challenge and further investigation of the outcomes before we share the summary of our assessment with you.

Our fair value assessment has considered the following:

Benefits	Price	Costs	Limitations
Based on the assessment performed, we have established that the products are compatible with the objectives, interests and characteristics of customers of the intended target market and that the distribution strategy is not detrimentally impacting overall product value.	We assess that the interest rates, fees and charges customers pay are comparable to the market rates and non-financial costs associated with operating the product.	We assess the costs, and fees and charges are appropriate for the products, and these represent fair value for our customers.	Other than criteria outside our lending policy there are no limitations to access these products.

Results of our assessment:

Our assessment concluded that the Self Build Products continue to deliver fair value for customers in the target market for the Products.

FOR INTERMEDIARY USE ONLY

Nottingham Building Society, Nottingham House, 3 Fulforth Street, Nottingham NG1 3DL is authorised by the [Prudential Regulation Authority](#) and regulated by the [Financial Conduct Authority](#) and the Prudential Regulation Authority. Registered under number 200785.