

## Product information sheet

<b>Product name:</b> Buy-to-let products, non-portfolio, portfolio landlords	<b>Date:</b> January 2024
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<b>This information is intended for intermediary use only and should not be provided to customers</b>
<p>Paragon Bank is committed to ensuring that it meets the new Consumer Duty requirements where relevant to its products and services.</p> <p>This includes conducting assessments of fair value which take into consideration factors such as the intended target market, distribution model, product benefits and associated fees and charges. Paragon has not identified any products or services that fail to deliver fair value to its retail customers.</p> <p>To see our full range of products and latest rates, please visit our <a href="#">website</a></p>

### 1. Product characteristics and benefits

Our products are designed to meet the needs of portfolio and non-portfolio landlords, and landlords buying or refinancing existing buy-to-let properties. The buy-to-let mortgage products Paragon offer to customers are not regulated by the Financial Conduct Authority (FCA). Paragon is regulated by the FCA and Prudential Regulation Authority (PRA) and has voluntarily adopted PRA Underwriting Standards for buy-to-let mortgage contracts.

#### The Product features of our buy-to-let mortgage contracts include:

- Fixed and discounted Tracker Rate Products that offer flexibility to landlords that want to refinance within 6 months of ownership
- Fixed rate products and Discounted Tracker Rate Products that track the Bank's Standard Variable Rate (SVR)
- Available on an Interest Only, Capital Repayment and Part Interest only part capital basis
- Free valuations on certain type of properties
- Full eligibility criteria can be accessed on our intermediary website on the [lending criteria page](#).

### 2. Target market assessment and distribution strategy

This target market assessment matrix segments the target customers for our **buy-to-let** mortgage products, recognising their different needs, characteristics, and objectives, to enable us to tailor the services we provide when we distribute our products.

Customer Circumstances	Distribution Strategy	Customer Needs and Objectives
<p>An investor looking to buy their first buy-to-let property in their personal name, or a Special Purpose Vehicle (SPV) Limited Company established for the purpose of acquiring buy-to-let properties.</p> <p>A portfolio or non-portfolio landlord looking to buy another buy-to-let investment property that might be a House in Multiple Occupation (HMO) or Multi Unit Block (MUB). This landlord may purchase this property in their personal name or a SPV Limited Company established for the purpose of acquiring buy-to-let properties.</p> <p>A portfolio or non-portfolio landlord looking to re-finance an existing buy-to-let property that might be an HMO or MUB. This landlord may refinance this property owned by them or a SPV Limited Company established for the purpose of acquiring buy-to-let properties.</p>	<p>Available through Intermediary channels only. This includes Mortgage Networks and their Appointed Representatives, Mortgage clubs, directly authorised mortgage brokers and non-regulated commercial brokers.</p> <p>All intermediaries must be registered with us. All intermediaries must be registered with the Financial Conduct Authority.</p> <p>Paragon Mortgages does not give advice.</p>	<p>Our mortgage products allow landlords to;</p> <ul style="list-style-type: none"> <li>• Use leverage to maximise their returns</li> <li>• Benefit from interest rate decreases</li> <li>• Only repay interest during the term of the mortgage</li> <li>• To repay the capital by the end of the mortgage term.</li> </ul> <p>Our mortgage products allow experience landlords to;</p> <ul style="list-style-type: none"> <li>• Expand their property rental business</li> <li>• Use leverage to maximise their returns</li> <li>• Benefit from interest rate decreases</li> <li>• Only repay interest during the term of the mortgage</li> <li>• To repay the capital by the end of the mortgage term</li> <li>• Secure a mortgage against an HMO, MUB property.</li> </ul> <p>Our mortgage products allow experience landlords to;</p> <ul style="list-style-type: none"> <li>• Refinance and withdraw equity from existing property portfolios</li> <li>• Use leverage to maximise their returns</li> <li>• Benefit from interest rate decreases</li> <li>• Only repay interest during the term of the mortgage</li> <li>• To repay the capital by the end of the mortgage term</li> <li>• Secure a mortgage against an HMO, MUB property</li> </ul>

#### These product are not designed for customers who:

- Cannot afford it, credit impaired, severely, or otherwise
- Are looking to buy their first property, or a property to reside in
- Cannot evidence income to cover living expenses
- Do not reside in England, Wales, Scotland or Northern Ireland
- Do not meet our lending standards
- Are seeking mortgage advice from us
- Looking for a regulated mortgage contract
- Are under the age of 21 at the start of application
- Are over the age of 85 at the start of application.

### 3. Customers with characteristics of vulnerability

Our products are designed for customers looking to purchase or re-mortgage property to be used on a buy-to-let basis, which is likely to include some customers with characteristics of vulnerability or who will experience vulnerability through the product lifecycle.

Paragon has a relationship with the RNIB which enables the business to request documents in alternative formats to help customer understanding, such as braille, large print, audio.

Please contact us if you need any further information about how we support the needs of all our customers in relation to the Product.

#### Vulnerability considerations.

We considered the needs, characteristics, and objectives of customers with characteristics of vulnerability at all stages of the customer journey to ensure our mortgage products meet their needs too. This includes;

- 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
- Suitable customer service provision and communications
- Appropriate policies to support vulnerable customers
- Ongoing monitoring to ensure we continue to meet and respond to the needs of customers with characteristics of vulnerability.

#### Mortgage Broker and their responsibility

Intermediaries should continue to comply with your obligations to ensure that you treat customers in vulnerable circumstances fairly. If advice or any additional information is sought by customers, their mortgage broker should offer that. It is the responsibility of the mortgage broker to make clear to the customer the implications of the arrangement they are entering and avoid foreseeable harm. Intermediaries should notify Paragon if they feel their clients require any additional support.

#### Product Governance

We have developed a comprehensive and robust assessment and governance process which evaluates several aspects of our business to determine whether our products meet our customers and market requirements. The outcomes of the assessment process are presented to our Product Review Forum, allowing for challenge and further investigation.

With every product, we consider the following four categories;

Benefits	Price	Costs	Limitations
<ol style="list-style-type: none"><li>1. Various communication channels available to customer and mortgage broker</li><li>2. Discounted Tracker Rate Products offer flexibility to landlords that want to switch to a fixed rate during their tracker term</li><li>3. Discounted Tracker Rate Products track the Bank's SVR</li><li>4. Available on an Interest Only, Capital Repayment basis and part and part</li><li>5. Free valuations on certain types of properties</li></ol>	<ol style="list-style-type: none"><li>1. The interest rate we charge allows us to make a sustainable profit and are similar to those charged by our peers</li><li>2. Interest Rate are aligned with the Bank of England Base Rate</li><li>3. The fees we charge at origination are appropriate, transparent to landlords, covers our origination cost and are similar to those charged by our peers</li><li>4. Ongoing fees and charges are transparent, available through multiple mediums and appropriate and reflective to the cost associated with servicing mortgages</li></ol>	<p>The cost of funding our mortgage products are determined by;</p> <ol style="list-style-type: none"><li>1. The funding cost of our bank and the cost of hedging fixed rate mortgages on offer</li><li>2. The cost of valuing a property</li><li>3. The procurement cost we pay to intermediaries for introducing mortgage applications to us</li><li>4. The operating cost associated with running a specialist mortgage business</li></ol>	<ol style="list-style-type: none"><li>1. Capital and funding constraints by our bank</li><li>2. Regulatory constraints</li><li>3. Operational constraints</li><li>4. Risk Appetite constraints</li></ol>

#### Summary

Paragon Bank has a robust product governance process that has concluded that the mortgage products meet our customers and market requirements and are appropriate for our target market. Therefore, it is viewed that our mortgage products continue to deliver fair value for customers within the target market they are aimed at.

