

Product Information for Distributors



Product Name	Off-site Build Mortgages
Date Information Sheet Produced	August 2023

This summary document fulfils our responsibilities under PRIN 2A.4.15R and PRIN 2A.3.12 R (2). It's designed to support you to comply with your responsibilities under PRIN 2A.3.16 R and PRIN 2A.4.16 R. You're ultimately responsible for meeting your obligations under 'The Consumer Duty'.

This information is for professional intermediary use only.

Summary of our Assessment

We've assessed that for the target market for our Off-site Build Mortgage Product:

- Meets the needs, characteristics, and objectives of customers.
- Has an appropriate intended distribution strategy.
- Gives fair value to customers and that the total benefits are proportionate to total costs.

Product Characteristics & Benefits

We've designed the products to meet the needs of the target group. The product features and criteria are designed to support these needs.

- The product features and availability are accessible to both mortgage intermediaries and customers who apply direct to Ecology. This provides choice to the customer in the way they may wish to apply for the mortgage.
- The product provides flexible drawdown of funds during the build phase. This gives the customer payment flexibility in terms of the funds they request at different points in the build. It also reduces repayment and interest costs in the early stages of the mortgage.
- Two products are available offering the customer choice based on their circumstances. One product provides a conventional arrears stage-based payment release. This is offered at different pricing terms than the advanced stage payment mortgage.
- The product is underwritten by our mortgage team who have extensive expertise in self-build mortgages. This gives the customer expert knowledge throughout the life cycle of the Off-site Build Mortgage.
- The product is only available where the build is being purchased through specific off-site manufacturers – see the 'our suppliers' section of the off-site build mortgage web page on our website.
- Through our C-Change Sustainable Homes discounts, on completion of the build and based on the energy certification obtained, the mortgage interest rate is reduced through a discount. This gives customers lower repayments and interest charges on the mortgage with the discount lasting the lifetime of the mortgage held with Ecology.
- The product provides flexible features through overpayment, underpayment or payment holidays (subject to eligibility). This gives the customer payment flexibility based on any short or medium-term changes to circumstances.

Full product details are on our website www.ecology.co.uk/mortgages/residential-mortgages.

Target Market Assessment and Distribution Strategy



The product is suitable for customers who:

- Are looking for a variable rate
- Are looking to purchase the build through eligible suppliers and manufacturers range
- Are building a property that will achieve a minimum SAP rating of 88 or higher
- Require a mortgage within the UK for up to £750k
- Are happy to pay an application and valuation fee to apply for the mortgage
- Are comfortable with restrictions on overpayment allowances and early repayment charges in the first 2 or 3 years of the mortgage
- Are happy with arrears or advanced stage payments during the build phase



The product is unsuitable for customers who:

- Are looking for a fixed rate
- Are looking to purchase the build outside of the eligible suppliers and manufacturers range
- Are building a property will achieve an SAP rating of below 88
- Require a mortgage within the UK in excess of £750k
- Are looking for a 'fee free' mortgage
- Require unlimited overpayment allowance and no early repayment charges

Customers with Characteristics of Vulnerability

We've designed this product for the following target markets:

Adventurous self-builder

Normally established in the property market, this customer is looking to build their 'forever' home. They're looking for a mortgage product which provides flexibility, with a lender that has expertise in the self-build market. They need a choice of ways to apply for the mortgage to accommodate potential vulnerabilities. Product flexibility provides support for the main customer vulnerabilities in this market.

Affordable housing self-builder

This customer is a first time buyer looking to build an affordable, energy efficient dwelling. They're looking for a product which could provide a different type of stage payment release during the build phase. Capability is likely their most prominent vulnerability due to limited previous knowledge in the mortgage or property market. They need a choice of ways to apply for the mortgage to support potential customer vulnerabilities in this market. This choice gives the customer increased expertise and guidance. Product flexibility provides support for the main vulnerabilities in this market.

Retired / downsizing self-builder

This customer is well established in the property market with previous property experience. They're looking for a mortgage product which provides flexibility with mortgage terms, with a lender that has expertise in the self-build application process. They need a choice of ways to apply for the mortgage to accommodate potential vulnerabilities. Product flexibility provides support for the main vulnerabilities in this market.

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Focused energy efficient self-builder

Extremely focused on their self-build design and the energy standard they wish to achieve. This customer is looking for a mortgage product which provides flexibility and rewards for high energy efficiency achieved through the build. They need a choice of ways to apply for the mortgage to accommodate potential vulnerabilities. Product flexibility provides support for the main customer vulnerabilities in this market.

These target markets are likely to include some customers with characteristics of vulnerability or customers who will experience vulnerability over time.

Intermediaries should continue to comply with your obligations to ensure that you treat customers in vulnerable circumstances fairly. Please contact our product team on products@ecology.co.uk if you need any further information about how we support the needs of all our customers in relation to the product.

Our Assessment of Value

We've developed a comprehensive and robust assessment process. This process evaluates several aspects of our business to determine the value of our mortgage product. We use this analysis to find out whether the Product delivers fair value for customers.

Our fair value assessment has considered the:

- Characteristics of the product to include its purpose, design aspects, utility, limitations and who it may influence.
- Price paid by the customer and the costs associated with manufacturing the product.
- Expected positive environmental or social outcomes of the product.
- Characteristics of the customer base and target market to include vulnerability and different pricing between customer audiences.
- Expected costs of distribution across all distribution channels.
- The quality of the service the customer receives for the product.

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