

Product Information for Distributors



Product Name	Shared Ownership Mortgage
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 our Shared Ownership 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 choose to apply direct to Ecology. This provides choice to the customer in the way they may wish to apply for the mortgage.
- The product is available where a minimum share in the property of 25% is being purchased with staircasing availability.
- The landlord needs to be a registered social landlord with a remaining term on the lease of at least 35 years after expiration of the mortgage term.
- Through our C-Change Sustainable Homes discounts, on completion of the mortgage 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 has flexible features through overpayment, underpayment or payment holiday allowances (subject to eligibility). This provides the customer with 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 purchasing a minimum share in the property of at least 25%
- Require a mortgage for a property that will achieve a minimum SAP rating of 85 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 years of the mortgage
- Require a mortgage term of up to 30 years



The product is unsuitable for customers who:

- Are looking for a fixed rate
- Are purchasing a minimum share in the property of under 25%
- Require a mortgage for a property that will achieve an SAP rating of below 85
- 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
- Require a mortgage term beyond 30 years

Customers with Characteristics of Vulnerability

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

Affordable, first-time buyer

This customer is looking to buy their first property. They're looking to get on the property ladder and buy a share of an affordable, energy efficient dwelling. They need flexibility on the price of the mortgage and the percentage share they buy in the property. Capability is likely their most prominent vulnerability. This is due to their limited previous knowledge in the mortgage or property market. They need a choice of ways to apply for the mortgage to accommodate potential vulnerabilities. This choice gives the customer increased expertise and guidance. Product flexibility provides support for the main vulnerabilities in this market.

This target market is likely to include some customers with characteristics of vulnerability or 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.