



CHL Mortgages for Intermediaries Limited

# Buy-to-Let Fair Value Statement

**Product name:** Buy-to-Let (BTL) Mortgage Product

**Information sheet produced:** 08/06/2023

## *Our approach to meeting the Products & Services Outcome and Price & Value Outcome – Information for distributors of the Product.*

CHL Mortgages for Intermediaries Ltd has prepared this Fair Value Statement to support you in complying with your responsibilities under PRIN 2A.3.16 R and PRIN 2A.4.16 R.

CHL Mortgages for Intermediaries Ltd is an unregulated Buy-to-Let lender that solely manufactures and distributes unregulated products.

Please note that you are responsible for meeting your obligations under 'The Consumer Duty' and whilst this document has been prepared in good faith, CHL Mortgages for Intermediaries Ltd is not an FCA regulated firm, the products we offer are outside the scope of the FCA Consumer Duty and we do not take any responsibility for compliance with 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 BTL Mortgage Product range continues to consider the needs, characteristics, and objectives of customers in our identified target market at the point of origination.
- The intended distribution strategy remains appropriate for our target market.
- The Product provides fair value to customers in our target market (i.e. the total benefits are proportionate to total costs).

### **2. Product characteristics & benefits**

Our BTL Mortgage Product range is designed to meet the needs of our target group, which includes first time landlords through to experienced portfolio landlords. The product features and criteria are designed to support these needs.

- BTL Properties located in England and Wales
- Available for purchase and remortgage
- Mortgage term up to 30 years
- Assured Short-hold Tenancies and Occupation Contracts (Wales) of up to 36mths
- Light Refurbishment product to assist customer in improving overall condition/EPC rating
- Options for Short Term Lets

Full eligibility criteria can be accessed on our intermediary website via [this link](#).

### 3. Target market assessment and distribution strategy

The target market assessment matrix below segments the target customers for the Product, recognising their different needs to enable you to tailor the services you provide when you distribute our Product.

<i>Customer Circumstances</i>	<i>Distribution Strategy</i>	<i>Customer Needs &amp; Objectives</i>
<p>First time landlords and non-portfolio landlords purchasing or remortgaging residential investment property.</p> <p>Portfolio Landlords (4 or more investment properties) purchasing or remortgaging investment properties.</p> <p>Corporate structures – Limited Co’s, Special Purpose Vehicles (SPVs), Limited Liability Partnership (LLP).</p>	<p>Available through Intermediary* channels only.</p>	<ul style="list-style-type: none"> <li>• Purchase residential investment property</li> <li>• Remortgage existing residential investment property</li> <li>• Refurbish and improve property</li> <li>• Improve rental return with short term lets</li> <li>• Improve rental return with shared accommodation and Houses in Multiple Occupation.</li> </ul>
<p>*Intermediary distribution through:</p> <ul style="list-style-type: none"> <li>• Networks and their Appointed Representatives.</li> <li>• Mortgage clubs.</li> <li>• Directly authorised mortgage intermediaries.</li> <li>• NACFB commercial brokers (corporate lending only)</li> </ul> <p>All intermediaries must be registered with CHL Mortgages.</p>		

The Product is not designed for customers who:

- Are first time buyers.
- Intend to reside in the property or allow spouses/partners or close family members to do so.
- Have ever lived in the property.
- Do not meet our lending or property criteria.

### 4. Customers with characteristics of vulnerability

Our Products are designed for the Buy to Let market, which may include some customers with characteristics of vulnerability or who could experience vulnerability over time.

We have tested the Products to assess whether they will meet the identified needs, characteristics, and objectives of the target market. Consideration is given to customers who have characteristics of vulnerability.

Regulated Intermediaries should continue to comply with their obligations and relevant regulatory requirements.

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

Our fair value assessment has considered the following:

<b><i>Benefits</i></b>	<b><i>Price</i></b>	<b><i>Costs</i></b>	<b><i>Limitations</i></b>
The range of features that the Product provides, the quality of the Product, the level of customer service that is provided and any other features that the Product may offer.	The interest rates, fees and charges customers pay for the Product, comparable market rates and non-financial costs associated with operating the Product.	The cost of funding the Product and our required returns.	Any limitations on the scope and service we provide or the features of the Product.

### Results of our assessment

Our assessment concluded that the Product continues to deliver fair value for customers in the target market for the Product.

Date: 8<sup>th</sup> June 2023

**FOR INTERMEDIARY USE ONLY**

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