

Afin Bank

**Product Name: Buy to Let 2 Year Tracker
Mortgage and Remortgage Products**

**Information Sheet Produced: May 2025
For Intermediary Use Only**

Product Information

Products and Services Outcome and Price and Value Outcome – Information for distributors of the Product.

Product: Afin Bank Buy to Let (BTL) 2 Year Tracker Mortgage and Remortgage Products

While Buy to Let lending is outside the scope of Consumer Duty rules, we have taken the voluntary decision to apply the same PRIN principles to our Buy to Let Lending, and 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 Buy to Let 2 Year Tracker Mortgage and Remortgage product range (the "Product") meets the needs, characteristics, and objectives of customers in the identified target market.
- The intended distribution strategy is appropriate for the target market.
- The Product provides fair value to customers in the target market (i.e. the total benefits are proportionate to total costs).

2. Product characteristics and benefits

The Product is designed to meet the needs of the target group. The following product features and criteria are designed to support these needs:

A buy to let mortgage with a short-term variable rate that tracks the Bank of England Base Rate, ideal for landlords seeking no Early Repayment Charges (ERC) and unlimited overpayments, with the potential to benefit from interest rate reductions over a 2 year period.

Who it's for:

- Landlords seeking flexible short-term borrowing linked to the Bank of England Base Rate.
- Customers with up to 75% LTV (tiered down to 65% for larger loans).
- Applicants with complex or non-standard income, including landlords and first-time investors.
- UK residents and foreign nationals on eligible visas (6+ months UK residency).
- Customers with complex borrowing needs who require non-standard underwriting or tailored affordability assessments.

Core Benefits:

- No Early Repayment Charges (ERCs), full flexibility to overpay or redeem at any time.
- Potential to benefit from future interest rate reductions.
- Manual underwriting for tailored assessment of rental income, top-slicing, and landlord experience.
- Inclusive approach supporting applicants with limited UK credit history or overseas background.
- Dedicated underwriters and landlord-focused servicing model.

Key Product Details:

- Loan size: £50k – £2.5m
- LTV: Up to 75% (≤£750k), Up to 70% (£750k–£1m), Up to 65% (£1m–£2.5m)
- Term: 2–40 years
- Fee: 2.5% of loan (can be added, subject to LTV limits)
- Applicants: Max 2 per application
- Reverts to: Bank of England Base Rate plus an Afin Bank margin after 2 years
- Portability: This product is not portable and cannot be transferred to a new property

Intermediaries will have access to knowledgeable and experienced staff within the Afin Bank Commercial team and Underwriting teams. Support will be given to intermediaries to ensure they understand our products and services via face-to-face meetings, webinars and Intermediary website pages.

Full eligibility criteria can be accessed on our Intermediary website via afinbank.com/intermediaries.

3. Target Market assessment and distribution strategy

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

Customer Circumstance	Distribution Strategy	Customer Need and Objectives
Landlord purchasing or remortgaging a residential rental property.	Available through FCA-authorised Intermediaries. Initial due diligence is conducted before an intermediary is added to the panel, with ongoing periodic monitoring to uphold standards.	To finance a rental property with a short-term tracker product offering maximum flexibility and no Early Repayment Charges.
Customer with a deposit of around 25%, requiring borrowing of up to 75% LTV.		Access to competitive variable rates with the ability to benefit from potential Base Rate reductions.
First-time landlords or those with limited UK credit history.	Available through direct applications with an authorised Mortgage Advisor.	Mortgage access through manual underwriting with tailored affordability assessment.
Customer seeking agility in mortgage terms and flexibility for early repayment or refinancing.		Maintain full control over exit strategy, allowing realignment or cash flow management without penalty.
Customer with complex income (e.g. self-employed, rental voids, international deposits).		Access to bespoke underwriting recognising variable income, top-slicing, or rental structures.
Foreign nationals and New UK residents establishing a UK rental presence.		Ability to borrow during early UK residency or relocation phase, with no long-term tie-ins.
Customer expecting interest rate changes or preparing for future shifts.		Option to track Base Rate and reassess strategy within a 2 year window without being locked into fixed pricing.

The Product is not designed for customers:

- Who plan to use a company to invest in property.
- Where more than 2 applicants wish to be party to the mortgage.
- Who require more than 75% LTV.
- Who are non-UK residents
- Where the property is not intended for rental use or does not meet letting criteria.
- Who require payment certainty or are not comfortable with interest rate variability (consider BTL Fixed instead).
- With recent or significant credit events (e.g. CCJs, DMPs, IVAs, or bankruptcies within the past 36 months).
- In need of later life lending or consumer Buy-to-Let alternatives.
- Seeking specialist schemes such as shared ownership, Right to Buy, or Help to Buy.
- Who do not meet our lending or property criteria.
- Who do not have complex borrowing needs (may be more suited to high street lenders).
- Who require features such as product portability or access to further borrowing during the product term.
- Applicants above the age of 85 at the end of the mortgage term.

4. Customers with characteristics of vulnerability

This Product is not specifically targeted at customers with inherent characteristics of vulnerability. At Afin Bank, we recognise that vulnerability can affect Buy to Let customers at any stage of their investment journey. Triggers may include health issues, job loss, rental income disruption, or life events. Although BTL lending is unregulated, we apply our Vulnerable Customer Policy and Forbearance Policy equally across all customers to ensure fair outcomes.

At the start of every customer journey and mortgage application, customer vulnerabilities are captured on internal systems. As vulnerability is not fixed and can impact a customer at any time, customer vulnerabilities information can be captured and updated when required.

BTL Tracker customers may face specific vulnerability risks linked to variable rate exposure, which can lead to fluctuating monthly payments. However, the absence of Early Repayment Charges (ERCs) and unlimited overpayment flexibility provide important mitigants.

Support is underpinned by Afin Bank's Vulnerable Customer Policy and Arrears and Forbearance Policy, with all associated costs included in the pricing model. Vulnerable customers do not pay more than others.

Common Triggers for Vulnerability

- Rising interest rates leading to higher monthly mortgage costs.
- Rental income disruption due to rental voids, arrears, or maintenance issues.
- Life events such as illness, bereavement, relationship breakdown, or job loss.
- Visa or residency uncertainty for foreign national landlords.
- Economic or market instability impacting property values or yields.
- Signs of addiction e.g. Alcohol / drug dependency or frequent gambling.

Support for Self-Employed and Landlords

- Customers may experience cash flow pressure from irregular rental income, rental voids, or property-related costs.
- Tracker product allows repayment flexibility in times of income fluctuation.
- Manual underwriting considers holistic financial picture, including top-slicing, rental stress tests, and asset value.

For Foreign Nationals / Diaspora Customers:

- Cultural and Language Barriers: May misunderstand terms or implications of interest-rate structures, penalties, or early repayment charges.

Afin Bank has implemented a framework to identify and assist customers with vulnerabilities, which includes training for frontline staff, clear and accessible communication, and flexible policies to accommodate those facing financial hardship. Processes are in place for distributors to notify us of any characteristics of vulnerability at the point of application. Procedures are also in place to manage any vulnerabilities identified throughout the lifetime of the mortgage.

All intermediaries are expected to meet their regulatory obligations by identifying and supporting customers in vulnerable circumstances and ensuring they receive suitable advice and outcomes.

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

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 product. This analysis is used to ascertain whether the Product delivers fair value for customers.

The outcomes of the assessment process are presented to Executive Risk and Compliance Committee and Board Risk and Compliance Committee, allowing for challenge and further investigation before we sign-off the outcomes and share the summary of our assessment with you.

Our fair value assessment has considered the following:

Benefits	Price	Costs	Limitations
<p>A flexible mortgage with a range of product features, competitively priced variable rates, no early repayment charges, and unlimited overpayments which support customers who value adaptability and want to manage their borrowing around changing financial goals.</p> <p>Manual underwriting enables more inclusive access, while high service levels provide a smooth and transparent mortgage experience.</p>	<p>Pricing is informed by internal modelling and peer benchmarking across:</p> <ul style="list-style-type: none"> • Interest rates • Fees • Early repayment charges <p>Pricing aims to balance commercial sustainability with customer value.</p>	<p>Cost of funding the product through deposit inflows.</p> <p>Operational cost of manual underwriting and case-by-case assessment.</p> <p>Ongoing servicing costs, including customer support, account management, and arrears handling.</p>	<p>This product is not suitable for customers who fall outside the defined target market, including those requiring higher LTVs, residential property use, or those seeking fixed-rate features.</p>

Results of our assessment

Our assessment concluded that the Product delivers fair value for customers in the target market for the Product.

We're here to help by phone on **0333 344 2974** from 09:00 - 17:00, Monday to Friday (excluding bank holidays). You can also email us at support@afinbank.com.

If you need an alternate format, please contact us at support@afinbank.com.

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