

Afin Bank

**Product Name: Consumer 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 Consumer Buy to Let (CBTL) 2 Year Tracker Mortgage and Remortgage Products

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 Consumer 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 consumer buy to let mortgage with a short-term variable rate that tracks the Bank of England Base Rate for non-portfolio landlords letting out a property due to personal circumstances such as relocation, inheritance, or life changes. Offering no Early Repayment Charges (ERC) and unlimited overpayments, and the potential to benefit from interest rate reductions over a 2 year period.

Who it's for:

- First-time or occasional landlords letting a property for personal (non-commercial) reasons.
- Customers with up to 75% LTV (tiered down to 65% for larger loans).
- Applicants with limited UK credit history or informal letting arrangements.
- 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:

- Tracker rate linked to Bank of England Base Rate, with no ERCs.
- Full repayment flexibility, overpay, refinance, or redeem without penalties.
- Manual underwriting supports informal rental setups and complex income.
- Inclusive product for customers letting family-owned or inherited homes.
- Dedicated support available via phone or email.

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: £1,495 (can be added, subject to LTV cap)
- 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
Consumer 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. Available through direct applications with an authorised Mortgage Advisor.	To finance a rental property that the customer did not acquire with the intention of renting it out (e.g. inherited or moved in with partner).
Customer with a deposit of around 25%, requiring borrowing of up to 75% loan-to-value (LTV).		Remortgage an existing property to remove fixed-rate constraints and benefit from potential interest rate reductions.
Customers managing transitional life phases such as job relocation, inheritance.		Manage monthly cash flow responsively while maintaining mortgage flexibility.
Customers preferring flexibility to refinance, repay, or sell at any time without Early Repayment Charges (ERCs).		Avoid long-term contractual tie-ins while continuing to meet mortgage obligations during periods of uncertainty or change.
Customers with limited landlord or mortgage experience seeking a straightforward product.		Benefit from a clear, service-led experience suited to non-professional landlords.
Customers who want to retain access to their property or keep future options open.		Use a tracker product to support personal plans that may involve returning to, selling, or gifting the property.
Customers looking to respond to potential base rate reductions for lower monthly costs.		Access variable rate borrowing that can adjust downward with market movements, easing pressure on household budgets.

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 (see Overseas BTL range instead).
- Where the property is not intended to be let or does not meet Consumer Buy-to-Let eligibility criteria.
- Who require payment certainty and are not comfortable with variable interest rates (consider CBTL Fixed instead).
- With recent or significant credit events (e.g. CCJs, DMPs, IVAs, or bankruptcies within the past 36 months).
- In need of regulated residential lending or Buy-to-Let mortgages for investment.
- Seeking specialist schemes such as shared ownership, Right to Buy, or Help to Buy.
- Who do not meet our lending or property criteria.
- Who maybe 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 75 at the end of the mortgage term.
- Are not reliant on any background income to support the interest coverage calculations.

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 Consumer Buy to Let customers at any stage of their property ownership journey. These individuals are typically not professional landlords and often enter the rental market due to life events such as relocation, inheritance, or family changes. Triggers may include health issues, job loss, rental income disruption, or life events. We apply our Vulnerable Customer Policy and Forbearance Policy equally across all customers, regulated or unregulated markets 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.

The CBTL 2 Year Tracker product offers increased flexibility and no Early Repayment Charges (ERCs), allowing vulnerable customers to adapt more easily to changing personal or financial circumstances.

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 Vulnerability Triggers for CBTL Customers:

- Bereavement, relationship breakdown, or serious illness affecting the lender's ability to manage finances.
- Sudden relocation or changes in employment that result in letting of a previously owner-occupied home.
- Rental voids or unplanned maintenance leading to cash flow stress.
- Signs of addiction e.g. Alcohol / drug dependency or frequent gambling.

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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