Newcastle Building Society

Product name: Buy to Let (BTL) Range

Information sheet produced August 2025
Expires 31 August 2026

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

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 BTL range continues to meet the needs, characteristics, and objectives of customers in the identified target market.
- The intended distribution strategy remains 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 & benefits

The BTL range is designed to meet the needs of the target group below:

- Customers who are purchasing or re-mortgaging a property specifically with the purpose of renting it out.
- Customers who are looking to apply as an individual or joint borrower.
- Customers who are purchasing a BTL property and have a deposit that is sourced from their own sources (please refer to eligibility criteria https://newcastleforintermediaries.co.uk/criteria/buy-to-let-lending-criteria)
- Customers who are re-mortgaging and have owned the property for at least six months
- Customers who have an Assured Periodic Tenancy (or Scottish/Welsh equivalents) agreement.

The product features and criteria are designed to support these needs:

- Variable and fixed product types available over a range of terms
- Loans up to a maximum 80% LTV
- Minimum property value of £75,000
- Minimum loan amount is £25,000
- Maximum loan on an individual property up to £1m
- Maximum number of mortgage Buy to Let properties is 3
- No minimum income requirements

- No maximum age criteria with a mortgage term of up to 25 years
- The rental calculation used will be dependent on if a short- or long-term product is selected and is as follows:
    - For **lower rate taxpayers** an ICR of 125% at 7.70% will apply if fixed for less than 5 years or 125% at 6.00% if the product is fixed for more than 5 years (based on an interest only basis); and for **higher rate taxpayers** an ICR of 145% at 7.70% will apply if fixed for less than 5 years or 145% at 6.00% if the product is fixed for more than 5 years (based on an interest only basis).
- Availability on new and existing homes (subject to LTV restrictions)
- Product fee on completion on selected product up to the max LTV
- All products allow repayment of up to 10% of the capital balance annually without incurring Early Repayment Charges
- Regularly monthly over payment of £499.99 in addition to the 10% annual overpayment allowance
- Early Repayment Charge if the borrower redeems the mortgage during the initial fixed rate period (subject to T&C's)
- At the end of the initial product period, the rate will revert to our Society's Standard Variable Rate for the remainder of the term.

Full eligibility criteria can be accessed on our intermediary website via this link.

The product is not designed for customers who:

- Are planning to reside in the property
- Are first time buyers
- Are a portfolio landlord (in excess of 3 properties) or are submitting an application on behalf of a limited company, trust or subsidiary.
- Need to utilise employed or self-employed income to support the rental cover calculation
- Are unable to demonstrate the loan is affordable i.e. severely credit impaired borrowers.
- Are unable to meet the conditions in which a CBTL application is defined
- Do not meet our lending or property criteria, or do not meet our product specific criteria

3. **Price and Value**

The products included within this category continue to offer value to customers through interest rate, in addition to the wider value we offer customers through the provision of our products, propositions and services.

The interest rates on these products are reviewed regularly to ensure that the value we offer remains fair and consistent. This review will consider:

- The value offered through the interest rate and any other features of the product;
- The interest rates of our products continue to meet both the needs of the Society and offer fair value to our members;
- The value offered by the product relative to benefits and costs;
- The value offered by the market and other like-for-like products;
- The value offered through our wider proposition, service, availability and accessibility.

The interest rate of the product is determined by a breadth of factors, including but not limited to; the external market environment, the cost of our funding book, the value offered by the industry/market through like-for-like or similar products, and adjacent products in our ranges.

Customers can access details of their current interest rates in a number of ways, including:

- In any of our branches
- Over the telephone
- Annual Mortgage Statement

Customers have the ability to switch to a current mortgage deal (subject to meeting our current lending criteria) and current products can be viewed on our website www.newcastle.co.uk

4. Customer Understanding

Products included in this category offer either a fixed or variable rate of interest and will depend upon customers needs and objectives.

Customers will receive a European Standardised Information Sheet (ESIS), prior to making an application with us which will provide information around the Key Features of the product and costs of taking the mortgage.

We will take reasonable steps to ensure that engagement with members via customer communications are clear, straightforward, and use language which is easy to understand. To support this we will use 'Jargon Buster' technology provided by 'Fairer Finance' to achieve the best possible outcomes for members.

We also have dedicated existing customer pages on our website www.newcastle.co.uk which offer support and guidance for customers whose mortgage needs have changed.

We issue a mortgage statement on an annual basis to our customers, which provides information on mortgage payments made, interest charged, outstanding mortgage balance and the interest rate applied to the mortgage.

Where a rate change occurs (variable rate customers) we will write to customers to notify them of the change to interest rate and monthly repayment 28 days before the effective date of change and as outlined within our mortgage terms and conditions. We will also display notification of change in our branches and in press advertisements.

Where the Bank of England Base Rate changes, the interest rate will be revised and effective 14 days after the announcement as per the product terms and conditions.

We will contact our customers (currently 4 months) ahead of their mortgage product maturing and notify them of new product rates available. We like to reward our loyal mortgage customers and so we have a range of exclusive rates just for our existing customers.

Customers have the option of being able to;

- Switch their product online.
- Speak to a mortgage broker.
- Speak to one of our mortgage advisers

5. Customer Support

Customers holding products in this category can get support in managing their product in a number of ways. Customer support is available via all of our channels including:

- Through any of our branches, either face to face or over the telephone
- Over the telephone by calling our Mortgage Contact Centre
- Online via our website or by contacting us by e-mail.

Over the phone we endeavour to offer strong levels of customer service and answer a minimum of 95% of all calls received. At times where we are not able to meet these high standards, we will notify customers of the average call wait time via banners on our website and through IVR on our call lines.

On our website we seek to answer our most frequently asked questions in a straightforward and simple manner in order to support our customers self-serving where possible.

Should our customer service or support fall short of expectations, customers are able to register a complaint in writing or over the phone. We seek to support customers getting a resolution to their complaint as quickly as possible, by seeking to respond to complaints in 3 business days.

Customers who have find themselves in financial difficulty are encouraged to talk to our Mortgage Support Team who will offer support around mortgage repayments and/or wider finances.

There is a dedicated Mortgage Payment Difficulties page is available on our website and customers can either call into their local branch or contact our team by telephone where we can provide support tailored to an individual customer need, such as changes to payment plans, short-term payment delays, or part interest, part repayment options.

Details of where to seek free and independent advice is also available on our website.

We also provide additional support through our Helping Hand partnership with Citizens Advice Gateshead. The service is available to our customers nationally and goes beyond mortgage payment difficulties, looking at a wide range of support, including access to food shopping vouchers if they are experiencing a financial emergency.

Customers with characteristics of vulnerability

The Product is designed for the buy to let market, which is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

Buy to Let customers maybe less likely to have a comprehensive understanding of the landlord market and/or the implications and requirements of a buy to let mortgage. They could seek support from the broker or utilise our direct channel to acquire additional guidance. This could increase their understanding of the information being presented to them and the implications of the arrangement they are entering into to reduce the risk of harm occurring.

We considered the needs, characteristics, and objectives of customers with characteristics of vulnerability at the design process stage of this product to ensure the product meets their needs.

We regularly conduct testing and monitoring of our product range to ensure good outcomes for our customers. This testing and monitoring includes a proportion of customers who have characteristics of vulnerability.

We have in place a framework to achieve good outcomes for vulnerable customers, which includes:

- Education and training for our staff to ensure they have the appropriate skills and experience to recognise and respond to the needs of vulnerable customers
- Suitable customer service provision and communications
- Multiple contact methods are available
- Tailored communication requirements are available on request
- Flexible policies, where appropriate, to support vulnerable customers
- Monitoring to ensure we continue to meet and respond to the needs of customers with characteristics of vulnerability.

Intermediaries should continue to comply with your obligations to ensure that you treat customers in vulnerable circumstances fairly.

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

6. **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 product delivers fair value for customers.

Following review of our buy to let products we have concluded that the Products included within this category continue to deliver fair value for customers.