

Changes to our pricing approach

Rates tailored towards your client's
individual circumstances



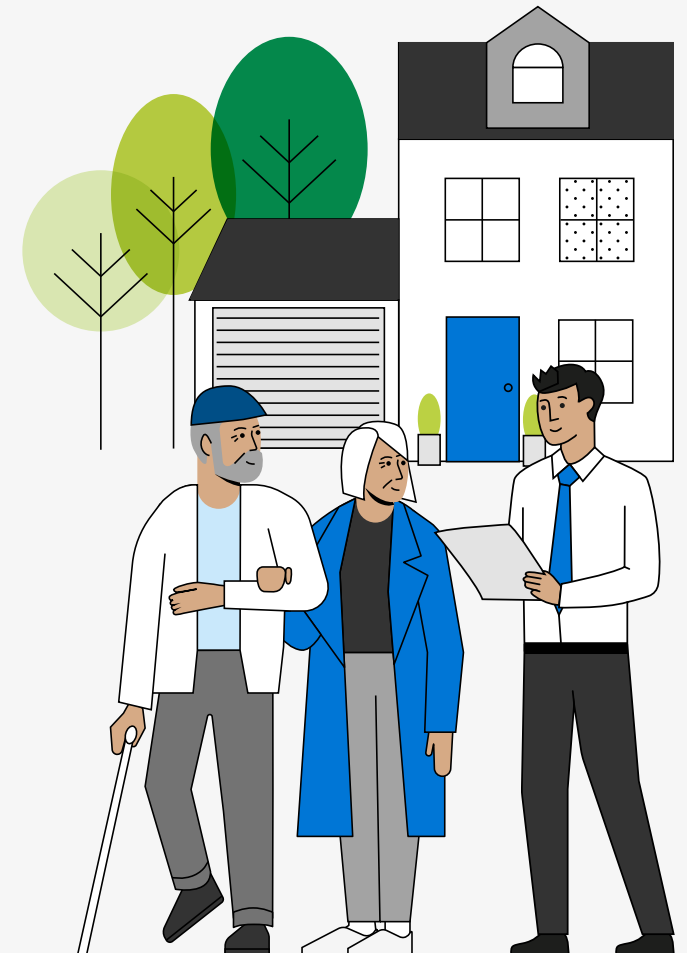
We're proud to introduce our new pricing approach

for Payment Term, Optional Payment and Interest Roll Up LTMs. (Retirement Interest Only products will continue on the current pricing approach).

Key changes to be aware of:

- We're offering customers the best possible rate for their individual circumstances. All the details you provide could influence the rate.
 - We now offer a suite of products with varying interest servicing options. To reflect this, we've changed the name of our Flexible LTM to support you in conversations with your clients. It's now the Interest Roll Up LTM.
 - Interest Roll Up LTM still has all the same features, including the ability to make up to 12 optional partial repayments a year by standing order from £50 each payment.
 - We've made minimal changes to the adviser experience to reflect our new pricing approach. Please refer to portal section on page 3.
 - Exact rates will be available on all major sourcing sites when searching our products. Indicative rates will be available on all other sourcing systems.
 - Our online portal gives you the exact rate for your client. There are no off-system processes for you to complete.
- We'll continue to use our previous colour-based pricing approach for existing customers who require additional borrowing (drawdowns and further advances).
 - If you have a pipeline case on the previous colour-based pricing approach, and meet the deadlines, you can continue with the rate you've already secured. Or, you can use the 'update application' screens in the portal to compare our new rates and make the best choice for your client.

i Different circumstances can impact rate, so to get the best outcome for you and your client it's important to use the most accurate information available as early as possible.



What's changed in our Later Life Mortgage Portal

We've made a couple of changes to the portal:

- We'll now be asking for you to confirm the Drawdown facility your clients need, both now and in the future.
- On the 'Product selection' page we will now show:
 - The rate for the loan details you've provided.
 - The maximum loan your client could have for each product.
- It's now clearer between KFI and Offer how long rates will be available for. There will be set time periods between **KFI to DIP Illustration Produced**, and **DIP Illustration Produced to Offer** for all cases. The portal will show these so you'll know exactly when each individual cases rate will expire, making it much easier for you to manage.

Journey	Timescales
KFI to DIP Illustration Produced	15 working days
DIP Illustration Produced to Offer	30 working days
Offer valid for	90 days (calendar days)

i Please note: We are currently in the process of updating our customer illustrations with these new deadlines. Refer to the portal for the correct dates and share with your customer.

i Please note: Changing the loan amount may change your rate.

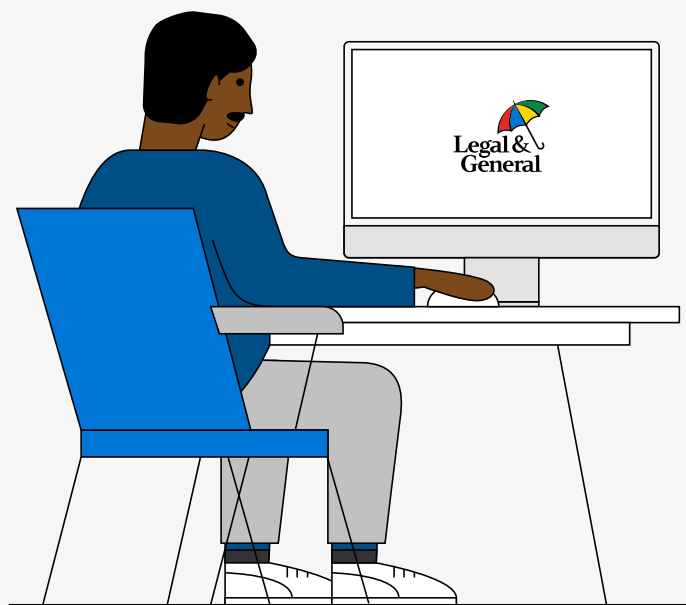
i Please note: To get to DIP Illustration produced, you need to allow time for any referrals to our underwriting team.

If changes are required to the KFI once it's been generated in the portal:

- Any changes to the information submitted could affect your client's rate.
- Up to five KFIs can be generated to understand the effect that any potential changes may have.
- The 'Update Application' screens in the portal can be used to make changes to the KFI if necessary. This could impact the rate although there's no obligation to accept this until you click 'Submit'.

i Only click **Submit** when you're ready to accept the rate. You can't go back to the previous rate after this.

- You can accept the rate when you click 'Submit'.
- If you need to call us to talk about a specific case, we'll be able to give you an indicative rate. For exact rates for your client, all details need to be entered in the portal.



FAQs

What influences the rate?

All the details you provide could influence your client's rate, specifically:

- Client details;
- Property details;
- Loan details including your clients Initial Advance and future drawdown needs.

i Don't forget, any changes you make could impact your client's rate and will be assessed based on prevailing rates at the time of the change.

What if any of my clients' details change once an Illustration is produced?

Don't worry, you can still use the 'update application' screens within the portal to make changes to pipeline cases.

Can I still use the 'amend application' functionality in the portal?

Yes, this screen is available for you to use.

Can I still use the 'Age Next birthday' functionality?

Where any customer's birthday is within 42 days of KFI (either younger, older or both for joint applications) you can choose to apply 'Age Next birthday' within the Later Life Lending Portal. This may influence sourcing results.

i **Please note:** We're currently in the process of updating our portal wording to apply to both customers

What if there's a change in the valuation?

If your property valuation changes, we might need to re-assess the rates or lending amount offered.

If your client's valuation change impacts the original advice, our underwriters will let you know the new rate or the new total facility available. You'll then need to speak to your client and agree what's best for them.

How will rates and LTVs look in sourcing systems?

All sourcing systems now have API links: Air Sourcing, Iress, Advise Wise and exact rates are now available.

When you source, you'll see rates and LTVs based on all details you provided. Sourcing based on 'Maximum Available' will show maximum rates and LTVs for your client's individual circumstances. If the maximum LTV isn't required, please re-source to see the updated rates.



What happens if a rate change occurs?

Individual pricing offers your customer the best rate available to them at the time of application.

If we change our rates and you're within the deadlines, your client will be unaffected. However, if your deadlines have passed, you'll be prompted to move to the prevailing rate.

Rate changes will no longer be communicated by our previous colour-based pricing approach.

How much time is available to submit a case once an Illustration is produced?

Each case entered into the portal will have a deadline date. We've extended the **KFI to DIP Illustration Produced** timelines. The deadline will be shown on the screen.

i To get to **DIP Illustration Produced**, you need to allow time for any referrals to our underwriting team.

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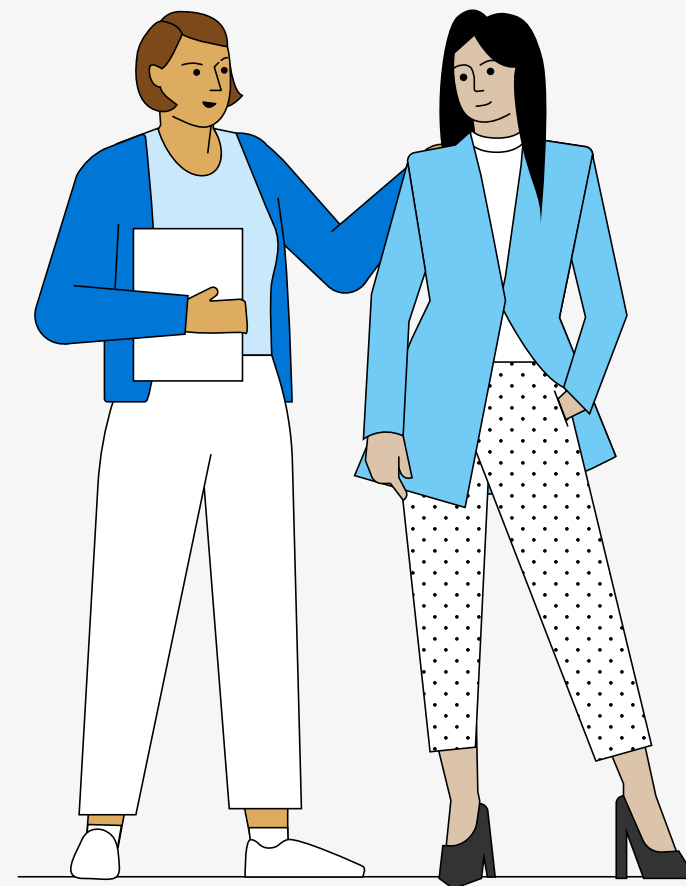
i **Please note:** We are currently in the process of updating our customer illustrations with these new deadlines. Refer to the portal for the correct dates and share with your customer.

Can multiple KFI/searches be carried out in the portal to determine rate?

Yes. You'll be able to do multiple searches within the portal, creating up to five KFIs for your client to compare rates.

- The 'update application' screens allow for changes to the KFI if necessary. Rates may be impacted, although there's no obligation to accept this unless you click 'Submit'.
- If these KFIs are generated on different dates, different deadlines will apply so there's no need to re-key information for up to five KFIs. Information will need to be re-keyed for any more than five KFIs.
- Once you've proceeded to DIP, you won't be able to return to a previous KFI. You'll only be able to select prevailing rates and products and the time.

i Deadline dates can be checked in the portal.



Are there any changes to commission rates?

No. There are no changes to commission rates.

Our maximum commission remains at £20,000. Where commission exceeds this, the benefit will be passed to the customer through their rate. This will be automatically applied to the rate.

What about Premier Products and cashback?

We have withdrawn our Premier and Cashback variants. Your client's tailored rate includes the features of premier product variants instead.

Has anything else changed in the IRLM product?

The Interest Roll Up LTM was formerly known as a Flexible LTM. We did this to support you in your conversations with your clients but it's just the name that's changed. All other product features remain the same.

What about additional borrowing for existing customers?

We'll continue to use our previous colour-based pricing approach for existing customers who need additional borrowing, for instance, drawdowns and further advances.

Our customer services team will be happy to share rates with you if you need them.

Call our customer services team:

03330 048 444

Lines are open 8.30am to 5.30pm, Monday to Friday. Call charges will vary. Calls may be monitored and recorded.

