

Product name: First Time Buyer/ Assisted Purchase

Information sheet produced November 2023

Expires 30 March 2024

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 first time buyer range continues to meet the needs, characteristics, and objectives of customers in the identified target market.
- First time buyer range, includes assisted purchase products:
 - Deposit Unlock
 - Government First Homes Scheme
 - Shared Ownership
 - Lifetime ISA
 - JMSP
- 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 first time buyer products are designed to meet the needs of the target group:

- Customers looking to purchase their first residential property in the UK
- Customers looking to purchase their first residential property in the UK with an affordable housing scheme.
- Customers looking to purchase their first residential property in the UK who hold a Newcastle Lifetime ISA.
- Customers looking to purchase their first residential property in the UK with the support of income from a family member.

The product features and criteria are designed to support these needs and can include the following:

- Fee assisted features are on selected products, i.e. free standard valuation, cashback
- Fixed and variable rate products.
- Support for government & industry-led affordable housing schemes
- Family support options (subject to eligibility)

- Availability on new and existing homes (subject to LTV restrictions)
- Product fee on completion on selected product up to the max LTV
- Early Repayment Charge if the borrower redeems the mortgage during the initial product period
- 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% overpayment
- Most products are portable and can be transferred to the new property (subject to Terms & Condition's (T&Cs))
- 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](#).

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 when you distribute the Product.

Customer Circumstances	Distribution Strategy	Customer Needs & Objectives
Those looking to purchase their first residential property in the UK.	Available through the direct and intermediary channels.	<ul style="list-style-type: none"> • Access a lending solution that will support a broad range of deposit sizes • To reside in the property • To repay the capital by the end of the mortgage term.
Those looking to purchase their first residential property in the UK with an affordable housing scheme.	Deposit Unlock, Government First Homes Scheme and Shared Ownership are available through the intermediary channel. Shared Ownership is also available through the Direct channel.	<ul style="list-style-type: none"> • Find an affordable home, this can be enabled by a government/industry affordable housing schemes • To reside in the property • To repay the capital by the end of the mortgage term.
Those looking to purchase their first residential property in the UK who hold a Lifetime ISA with the Society.	Lifetime ISA mortgage available through the direct and intermediary channels.	<ul style="list-style-type: none"> • Have saved for first home using the Newcastle Lifetime ISA product • To reside in the property • To repay the capital by the end of the mortgage term.
Those looking to purchase their first residential property in the UK with the support of income from a family member.	JMSP is available through the direct and intermediary channels.	<ul style="list-style-type: none"> • Looking to purchase an affordable home with the support from a family member. • To reside in the property • To repay the capital by the end of the mortgage term.

The Product is not designed for customers who:

- Have previously purchased a home in the UK (subject to product T&C's)
- Are purchasing a property to let
- Are unable to demonstrate the loan is affordable i.e. severely credit impaired borrowers
- Require an interest-only or part & part mortgage
- Do not meet our lending or property criteria, or do not meet our product specific criteria
 - [Criteria - Newcastle Intermediary Services \(newcastleis.co.uk\)](http://newcastleis.co.uk)

4. Customers with characteristics of vulnerability

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

First time buyers maybe less likely to have a comprehensive understanding of mortgages, the mortgage market or the government schemes available to them. They could seek support from the broker or utilise our direct channel to acquire additional advice. 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.

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

The outcomes of the assessment process are presented to the Mortgage and Savings 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>The range of features the Product offers and the benefit they offer to the target market.</p> <p>The level of customer service provided to the customer across the distribution channels.</p>	<p>The Product interest rates, fees and charges a customer pays and how they compare to the wider market.</p> <p>Fees reflect true cost to the Society.</p> <p>The Product rates are comparable to relevant market rates. Monitor intermediary's' advice fees.</p>	<p>The main cost of the product is the funding cost, which is retail savings deposits (standard Building Society model).</p> <p>Costs are impacted by external financial markets and bank base rate.</p> <p>Operational costs incurred to product and service the product.</p> <p>Non-financial costs associated with operating the Product such customer journey and experience.</p>	<p>Any limitations on the scope and service we provide or the features of the Product, such as advise and non-advise, channel distribution, regional exclusivity and product specific T&C's.</p>

Below is an example of the information reviewed and taken into consideration when completing the assessment:

- Product performance
- Operational performance
- Product governance
- Fees and charges (Product) subject to annual review and governance
- Customer experience insight and data
- Customer outcomes testing
- Customer complaints
- Product risk assessments
- Colleague education and training
- Customer in Vulnerable Circumstances Policy

Results of our assessment

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