

Product name: 2 Year Discounted Variable Short-Term Specialist Lending

Information sheet produced: February 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 Specialist 2 Year Discounted Variable Rate Short Term Specialist Lending Product 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 products are designed to meet the needs of the target group. The product features and criteria are designed to support these needs.

- Loans of £200k to £2m.
- Maximum age 90.
- Lending up to 80% LTV.
- Interest only lending available up to 80%. 75% where term goes into retirement. 70% where in retirement
- Lending up to 6 times income.
- £60k minimum income from earned income, pension, or investments (including potential to draw).

Full eligibility criteria can be accessed on our intermediary website:

<https://www.teachersbuildingsociety.co.uk/intermediaries/specialist-lending/lending-criteria>

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
<ul style="list-style-type: none"> - Mass Affluent and High Net Worth borrowers whose circumstances fall outside mainstream lending norms. This includes clients with complex or variable incomes, asset-led wealth profiles, atypical properties, timing sensitivities, or age-related considerations that render them “non-standard” in traditional affordability models. 	<p>Available only through Intermediary* channels.</p>	<p>Need: To solve a temporary funding shortfall without resorting to potentially more expensive bridging finance.</p> <p>What that looks like in practice:</p> <ul style="list-style-type: none"> • Buying a new home before selling an existing one • Completing renovation works to maximise sale value • Funding a self-build on land within existing grounds or on a separate plot • Creating breathing space while investments mature or funds are released <p>Underlying objective: Secure short-term liquidity through a regulated, potentially lower-cost, interest-only solution that provides flexibility and control - giving clients time to execute their next move strategically, not reactively.</p>

<ul style="list-style-type: none"> - They are typically sophisticated, well-advised, and outcome-driven— focused on securing the <i>right</i> solution rather than the cheapest headline rate. 		
<p>*Intermediary distribution through:</p> <ul style="list-style-type: none"> • Networks and their Appointed Representatives. • Mortgage clubs. • Directly authorised mortgage intermediaries. <p>All intermediaries must be registered with us.</p>		

The product is not intended for customers who:

- Meet standard lending and property criteria and would be better served by a mainstream mortgage product.
- Are not considered 'prime' under the Society's credit risk assessment.
- Prioritise long-term payment certainty and stable monthly repayments, rather than accepting potential short-term payment variability.
- Require a longer product horizon, including products with terms beyond two years or lifetime mortgage solutions.

4. Customers with characteristics of vulnerability

Customers for whom this Product may be suitable are typically financially sophisticated, with strong career trajectories and above-average income and wealth. Their need for specialist mortgage solutions often reflects complex income structures (e.g. significant bonus payments), non-standard assets, or property characteristics rather than financial fragility.

While these customers are generally resilient, characteristics of vulnerability may arise as a result of life events or changes in health or circumstances. In particular, high-earning and high-pressure careers can expose customers to heightened risk from sudden income disruption, career change, or stress-related health issues.

4.1 Life events

Changes in personal circumstances — such as relationship breakdown, becoming a parent, bereavement, or an unexpected change in employment or income — may temporarily affect a customer's financial stability or emotional wellbeing. During periods of adjustment, customers who would not ordinarily be considered vulnerable may exhibit characteristics of vulnerability.

4.2 Health

High-responsibility roles often come with sustained pressure, which may increase the risk of stress-related physical or mental health conditions, including anxiety, depression, high blood pressure, or more serious health events. While many customers in this segment have access to private healthcare, longer-term health impacts or lifestyle changes following a health event may increase vulnerability and affect financial resilience.

4.3 Resilience

Although these customers are often asset-rich, their wealth may be held in investments or other less liquid assets. As a result, short-term access to funds may be limited, and a sudden reduction in income could create temporary challenges in meeting financial commitments, including mortgage payments.

Supporting customers with characteristics of vulnerability

We have an established framework in place to support customers with characteristics of vulnerability and to ensure good customer outcomes. This includes:

- Ongoing education and training for colleagues to recognise, understand, and respond appropriately to vulnerability.
- A customer service approach designed to ensure that vulnerable customers receive outcomes that are as good as those experienced by other customers.
- Continuous monitoring of customer needs, with appropriate adjustments made where circumstances change.
- A flexible and empathetic approach wherever possible, to support customers sensitively and proportionately.

We also operate a robust testing and feedback framework to ensure that our communications are clear, effective, and accessible, taking account of the needs of customers with characteristics of vulnerability.

Intermediaries are expected to continue to meet their own obligations to identify and treat customers in vulnerable circumstances fairly.

Please contact us if you require further information on how we support customers in relation to this 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 Risk Committee, allowing for challenge and further investigation before we sign-off the outcomes and share the summary of our assessment with you.

3. Short-term specialist lending

Ref	Max LTV	Deal period	Rate	Description	Followed by SVR currently	Overall cost for comparison	Arrangement fee	Application fee	Valuation fee
810	80%	2 years	5.74%	Variable rate 2.50% discount from Society's SVR - NO ERC	8.24%	7.9% APRC	1% with min £2,499 and max £7,499	N/A	Yes

Our fair value assessment has considered the following:

Benefits	Price	Costs	Limitations
<ul style="list-style-type: none"> - All cases are manually underwritten which might improve the chances of getting a home loan with your client having a unique or more complicated financial situation. - Solve a temporary funding shortfall without resorting to potentially more expensive bridging finance. - Repay the capital by the end of the mortgage term. - Secure an interest only lending solution. 	<ul style="list-style-type: none"> - We regularly review products and update our pricing to ensure that we offer fair value. - We develop a price to cover the costs and risks associated with this type of lending and deliver an appropriate return commensurate with our position as a mutual. Any resulting price is then compared to similar criteria offered to our target market. We only offer the price if it is competitive. The price, therefore, contributes to fair value for the borrower by enabling 	<ul style="list-style-type: none"> - Our fee structure is transparent and reflects the increased Speciality of these cases versus our standard mortgage range and, therefore, the effort required from the initial assessment through to the servicing of the loan. It is limited to £7,499 for these purposes. - It is refunded to the customer if the application is declined if the case meets the bare eligibility requirements but nevertheless the underwriter feels the case should be declined. - A valuation fee is payable for all properties worth £800,000 or more. 	<ul style="list-style-type: none"> - The product has a maximum term of 24 months.

	<p>borrowers to select a competitively priced product compared to other products with similar lending criteria.</p>		
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Results of our assessment

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