



CORE VARIABLE - ALL REPAYMENT TYPES

JANUARY 2026

FOUNDATION

This Product Information Document is for variable rates that are available for all repayment types: Capital Repayment, Interest Only or Part and Part.

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.

Summary of our assessment

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We have assessed that:

- Our Core Variable Rate - All Repayment Types Products, continue 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).

Product characteristics & benefits

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The products are designed to meet the needs of the target group, most notably those who are unable or choose not to access the high street for a mortgage due to specialist criteria needs.

The product features and criteria are designed to support these needs by offering a range of characteristics and benefits:

- A rate that tracks the Bank of England base rate so will increase or decrease in line with BBR movements for a defined period (click link below for full details of current range)
- Options for products with or without early repayment charges
- Available for Capital Repayment, Interest Only and Part and Part
- For clients meeting our F1-F4 credit profiles
- Not available where CCJ's & Defaults registered within the last 6 months
- Available for Purchase or Remortgage
- Options for those looking to finance an energy efficient property (EPC A-C)
- This product is not portable.

Full eligibility criteria including credit tiers and current product range can be accessed on our intermediary website:

www.foundationlending.co.uk

To discuss your case call today **0344 770 8032**
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For Intermediaries only



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Target market assessment and distribution strategy

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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 who either choose or fall outside of Mainstream lenders' criteria due to credit score, their employment or income or past credit events.	Available through Intermediaries only.	<ul style="list-style-type: none"> • Access to specialist lending criteria particularly around historical credit events or complex income/employment • To become a homeowner or move to a new property • To remortgage to a new product.
<p>For those wanting a variable rate product that reflects interest rate changes</p> <p>For those wanting to repay the capital by the end of the mortgage term</p> <p>For those wishing to pay interest only and utilise an alternative repayment strategy on part or all of the mortgage</p> <p>For customers that have sufficient financial resilience to manage fluctuations in their monthly mortgage payments.</p>	Available through Intermediaries only.	<ul style="list-style-type: none"> • To have a product that reflects interest rate changes • To have the choice of a product without early redemption penalties where available • To repay the capital by the end of the mortgage term or • To pay interest only and use a new or existing repayment strategy • To use a combination of capital repayment and interest only to repay the mortgage.

*Intermediary distribution through:

- Networks and their Appointed Representatives
- Directly authorised mortgage intermediaries via mortgage clubs
- Mortgage Packagers

All intermediaries must be registered with us and providing an advice-based service.

The Product is not designed for customers who:

- Are purchasing a property to let
- Want to fix their mortgage payments
- Do not meet our F1 – F4 credit profiles
- Do not meet our lending or property criteria
- Who wish to port their mortgage in the future.

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Customers with characteristics of vulnerability

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The Product is designed for customers purchasing or remortgaging a residential property. We do not consider that this target market represents a higher risk of vulnerability than any other, however as with any target segment the customer base may include some customers with characteristics of vulnerability or who will experience vulnerability over time.

No assumption has been made that any customers in this group will have an enhanced understanding of the mortgage market and we expect all customers to be offered a level of advice and support that ensures they understand the information being presented to them and the implications of the arrangement they are entering into to reduce the risk of harm occurring.

Our mortgage products are assessed as part of the product design process to ensure we do not inadvertently introduce product elements which could disadvantage vulnerable customers and lead to foreseeable harm. Where our intermediary partners identify a customer with vulnerable characteristics, they should notify us as part of the application process.

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
- 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.

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Our assessment of value

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We have developed a comprehensive and robust assessment process for our products which evaluates several aspects of our business to determine price and value. This analysis is used to ascertain whether the Product delivers fair value for customers.

The outcomes of the assessment process are presented to the Board, 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>This product provides funds to enable the purchase or remortgage of a property for owner occupation by way of a first mortgage charge on that property</p> <p>There are a range of features such as the duration of the preferential interest rate and the flexibility of the repayment strategy.</p>	<p>This includes initial rates and reversionary rates, ERC's and origination fee income such as the application fee, completion fees and procurement fees.</p>	<p>The cost associated to a product including; Risk, Funding, Operational and Acquisition costs are taken in to consideration.</p>	<p>Any limitations on the scope and service we provide for example our loans are not portable and we do not offer further advances.</p>

For specific information relating to your customer on rates, fees and charges please check your ESIS Document and our Tariff of Mortgage Fees www.foundationlending.co.uk/documents/

Results of our assessment

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

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