

Buy-to-let Product Guide

Product Highlights

1.95% 2 year fixed

LIMITED EDITION

1% fee - 75% LTV - LIMITED EDITION

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2.05% 2 year fixed

LIMITED EDITION

£995 fee - 75% LTV - LIMITED EDITION

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All products include free valuation, application fee of £150 to apply.

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FOR INTERMEDIARY USE ONLY

Key criteria

APPLIES TO ALL PRODUCTS

A non refundable application fee of £150 applies.

After the fixed term if the mortgage is interest only, it may be converted to capital and interest repayment, subject to 28 days' written notice.

All products are subject to availability of funds and withdrawal at any time.

APR calculated using an illustrative loan of £150,000.

INTEREST COVERAGE RATIO

The gross rental income from the property should equal or exceed the ICR as determined using a combination of the tax band applicable to an applicant's income and the property type. The tax band applicable to the applicant with the highest income will be used. The calculation will be based on the amount requested, at either the product charging rate plus 2% or 5.5%, whichever is the greater. The exception to this rule will be 5 year fixed rate products, which will be calculated using the amount requested, at either the product charging rate or 4.00%, whichever is the greater. The applicable ICR rate will be shown against each product.

| | | PROPERTY TYPE | |
|------------|---------------------------------|----------------------------------|--|
| | | Single self contained unit (SSC) | |
| TAX STATUS | Basic rate tax payer (20%) | 125% | |
| | Higher rate tax payer (40%) | 140% | |
| | Additional rate tax payer (45%) | 140% | |

We must be satisfied that the applicant(s) are able to withstand increases in mortgage interest rates, cover rental voids and be able to afford the mortgage now and after any fixed period expires.

FUTURE AFFORDABILITY

To cater for the introduction of the new PRA affordability assessment, we've made some changes to our mortgage application system. We've kept the changes to a minimum, but we will now need to ask for more information about your customer's income to enable us to apply the appropriate tax band and ICR to the affordability assessment. This product guide sets out how all future applications will be assessed, and at what rate and ICR.

ADVANCE

| Up to 80% LTV | Up to 70% LTV | Min loan | Max aggregate loan | Min age | Min term | Max term |
|---------------|---------------|----------|--|---------|----------|----------|
| £500,000 | £1,000,000 | £30,000 | A lending limit of £1,000,000 and no more than 5 properties applies across all Paragon Group mortgage products | 21 | 5 years | 25 years |

CONSUMER BUY-TO-LET

We will accept applications that qualify as consumer buy-to-let mortgage contracts, subject to all other criteria being met. More information concerning consumer buy-to-let can be found on our website www.mortgage trust.co.uk



Fixed Rates

from 1.95%

Paragon Bank Standard
Variable Rate (SVR)

5.10%

PURCHASE AND REMORTGAGE

Single, self-contained properties only; no limited companies. Free valuation; application fee of £150 to apply.

↓ 2 YEAR FIXED RATE (65% LTV)

| Code | Property Type | Initial Rate | Product Fee | Early Repayment Charge | APR | Reversion Rate | Product Specific Criteria | ICR Rate |
|--------|---------------|--------------|-------------|------------------------|-------|------------------------------------|---|----------|
| BM1186 | SSC | 2.05% | £495 | 3% for 2 years | 4.80% | Paragon Bank SVR (currently 5.10%) | Funded by Paragon Bank PLC Max loan £500,000 | 5.50% |

↓ 2 YEAR FIXED RATES (75% LTV)

| Code | Property Type | Initial Rate | Product Fee | Early Repayment Charge | APR | Reversion Rate | Product Specific Criteria | ICR Rate |
|--------|---------------|--------------|-------------|------------------------|-------|------------------------------------|---|----------|
| BM1187 | SSC | 1.95% | 1.00% | 3% for 2 years | 4.90% | Paragon Bank SVR (currently 5.10%) | Funded by Paragon Bank PLC | 5.50% |
| BM1188 | SSC | 2.05% | £995 | 3% for 2 years | 4.90% | Paragon Bank SVR (currently 5.10%) | Funded by Paragon Bank PLC Max loan £500,000 | 5.50% |

Please refer to Mortgage Trust Lending guidelines and submission requirements for full criteria.

Fixed Rates

from 1.95%

Paragon Bank Standard
Variable Rate (SVR)

5.10%

PURCHASE AND REMORTGAGE

Single, self-contained properties only; no limited companies. Free valuation; application fee of £150 to apply.

↓ 2 YEAR FIXED RATE (65% LTV)

| Code | Property Type | Initial Rate | Product Fee | Early Repayment Charge | APR | Reversion Rate | Product Specific Criteria | ICR Rate |
|--------|---------------|--------------|-------------|------------------------|-------|------------------------------------|---|----------|
| BM1177 | SSC | 2.50% | £495 | 3% for 2 years | 4.90% | Paragon Bank SVR (currently 5.10%) | Funded by Paragon Bank PLC Max loan £500,000 | 5.50% |

↓ 2 YEAR FIXED RATES (75% LTV)

| Code | Property Type | Initial Rate | Product Fee | Early Repayment Charge | APR | Reversion Rate | Product Specific Criteria | ICR Rate |
|--------|---------------|--------------|-------------|------------------------|-------|------------------------------------|---|----------|
| BM1178 | SSC | 2.35% | 1.00% | 3% for 2 years | 4.90% | Paragon Bank SVR (currently 5.10%) | Funded by Paragon Bank PLC | 5.50% |
| BM1179 | SSC | 2.70% | £495 | 3% for 2 years | 4.90% | Paragon Bank SVR (currently 5.10%) | Funded by Paragon Bank PLC Max loan £500,000 | 5.50% |

↓ 2 YEAR FIXED RATE (80% LTV)

| Code | Property Type | Initial Rate | Product Fee | Early Repayment Charge | APR | Reversion Rate | Product Specific Criteria | ICR Rate |
|--------|---------------|--------------|-------------|------------------------|-------|------------------------------------|----------------------------|----------|
| BM2095 | SSC | 2.99% | 1.00% | 3% for 2 years | 5.00% | Paragon Bank SVR (currently 5.10%) | Funded by Paragon Bank PLC | 5.50% |

Please refer to Mortgage Trust Lending guidelines and submission requirements for full criteria.

Fixed Rates

continued

Paragon Bank Standard
Variable Rate (SVR)

5.10%

PURCHASE AND REMORTGAGE

Single, self-contained properties only; no limited companies. Free valuation; application fee of £150 to apply.

↓ 3 YEAR FIXED RATE (75% LTV)

| Code | Property Type | Initial Rate | Product Fee | Early Repayment Charge | APR | Reversion Rate | Product Specific Criteria | ICR Rate |
|--------|---------------|--------------|-------------|--|-------|---------------------------------------|---|----------|
| BM1181 | SSC | 2.90% | £495 | 5% in year 1 4% in year 2 3% in year 3 | 4.80% | Paragon Bank SVR (currently 5.10%) | Funded by Paragon Bank PLC Max loan £500,000 | 5.50% |

↓ 3 YEAR FIXED RATE (80% LTV)

| Code | Property Type | Initial Rate | Product Fee | Early Repayment Charge | APR | Reversion Rate | Product Specific Criteria | ICR Rate |
|--------|---------------|--------------|-------------|--|-------|---------------------------------------|---|----------|
| BM2097 | SSC | 3.35% | £495 | 5% in year 1 4% in year 2 3% in year 3 | 4.90% | Paragon Bank SVR (currently 5.10%) | Funded by Paragon Bank PLC Max loan £500,000 | 5.50% |

↓ 5 YEAR FIXED RATES (75% LTV)

| Code | Property Type | Initial Rate | Product Fee | Early Repayment Charge | APR | Reversion Rate | Product Specific Criteria | ICR Rate |
|--------|---------------|--------------|-------------|---|-------|---------------------------------------|----------------------------|----------|
| BM1182 | SSC | 3.65% | 1% | 5% in years 1 & 2 4% in year 3 3% in year 4 2% in year 5 | 4.80% | Paragon Bank SVR (currently 5.10%) | Funded by Paragon Bank PLC | 4.00% |

Please refer to Mortgage Trust Lending guidelines and submission requirements for full criteria.

General Information

FEES

| | | |
|---|--|--|
| Application fee A non refundable application fee on all submissions. → £150 | Re-inspection fee If a re-inspection of the property becomes necessary at any time after the original valuation, a fee is charged and will be added to the loan unless it is paid in advance. → £100 | Product fee This fee can be added to the loan and is excluded from the LTV calculation. → See individual product details |
| Funds transfer fee Charges for the telegraphic transfer of funds to the solicitor will normally be added to the loan on completion of the mortgage. → £25 | Insurance contingency fee Where buildings insurance is not arranged with Paragon, a fee will be charged and is normally added to the loan on completion of the mortgage. → £25 | Revised documents fee This fee is payable where revision of an offer of loan is required. This fee will be added to the loan unless it is paid in advance. → £50 |

VALUATION FEE SCALE

| Purchase price / remortgage estimated valuation | Total Fee | You save | You pay (application fee) |
|---|-----------------|--------------|---------------------------|
| £75,000 to £100,000 | £430 | £280 | £150 |
| £100,001 to £150,000 | £450 | £300 | £150 |
| £150,001 to £200,000 | £490 | £340 | £150 |
| £200,001 to £300,000 | £545 | £395 | £150 |
| £300,001 to £400,000 | £600 | £450 | £150 |
| £400,001 to £500,000 | £640 | £490 | £150 |
| £500,001 to £600,000 | £720 | £570 | £150 |
| £600,001 to £700,000 | £800 | £650 | £150 |
| £700,001 to £800,000 | £840 | £690 | £150 |
| £800,001 to £900,000 | £900 | £750 | £150 |
| £900,001 to £1,000,000 | £965 | £815 | £150 |
| £1,000,001 to £1,500,000 | £1,150 | £1000 | £150 |
| £1,500,001 to £2,000,000 | £1,400 | £1250 | £150 |
| £2,000,001 to £2,500,000 | £1,650 | £1500 | £150 |
| £2,500,001 plus | Refer to lender | | |

The total fee includes a non refundable application fee of £150. The mortgage valuation report is a Security Assessment carried out for the benefit of the Paragon Group to determine if a property provides acceptable security for mortgage purposes. Where an internal inspection has been carried out and the proposed security is subsequently declined, a valuation report will not be made available although a summary will be given advising why the property is deemed to be unsuitable.

In conjunction with other criteria, we will assess the affordability of a mortgage based on the expected monthly income generated from letting the property to a tenant. The actual income generated may be different and can be influenced over time by changes within the rental market. The applicant(s) will remain responsible for meeting the costs of the mortgage and the additional costs associated with letting property for the duration of ownership. Please refer to Mortgage Trust Lending guidelines and submission requirements for full criteria.

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