

Afin Bank
Product Name: Regulated Bridging
Fair Value Assessment

Information Sheet Produced: March 2026
For Intermediary Use Only

Product Information

Products and Services Outcome and Price and Value Outcome – Information for distributors of the Product.

Product: Afin Bank Regulated Bridging Loan

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 Regulated Bridging Loan (the "Product") meets the needs, characteristics, and objectives of customers in the identified target market.
- The intended distribution strategy is 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 and benefits

The Product is designed to meet the needs of the target group. The following product features and criteria are designed to support these needs:

A short-term, closed-term regulated mortgage designed to provide fast, flexible residential funding for customers requiring temporary finance, where a clear and credible exit strategy (such as sale or refinance) will repay the loan within a maximum term of 12 months.

Who it's for:

- Personal borrowers requiring short-term residential finance secured on UK property.
- Customers needing to complete a property purchase quickly, including chain breaks or auction purchases.
- Customers raising funds against a property prior to sale or refinance.
- Customers undertaking light refurbishment or improvement works prior to exit.
- Customers whose circumstances or property do not meet standard high street mortgage criteria.
- Customers with a clearly defined, credible, and evidenced exit strategy within the loan term.

Core Benefits:

- Fast and efficient access to short-term funding to support time-sensitive transactions.
- No monthly payments required, with interest calculated and typically rolled up over the loan term.
- Fixed interest rate for the agreed term, providing cost certainty.
- Flexibility to repay early where the exit strategy is achieved, without being locked into long-term borrowing.
- Manual underwriting approach allowing for consideration of individual circumstances and property types.
- Designed for low complexity use cases with clear repayment strategies, supporting good customer outcomes.

Key Product Details:

- Product type: Regulated Bridging Loan (short-term regulated mortgage)
- Term: Maximum 12 months (closed-term)
- Repayment: Capital and rolled-up interest repaid via a defined exit strategy (e.g. sale or refinance)
- Interest: Fixed rate, calculated on a simple basis and typically rolled up
- Loan size: £50,000 to £3 million
- LTV:
 - Up to 80% (\leq £0.75m)
 - Up to 75% (£0.75m – £1m)
 - Up to 70% (£1m – £3m)
- Security: First charge over residential property in England and Wales

- Occupancy: Minimum 40% owner-occupied (or intended to be)
- Borrowers: Individuals only (maximum two applicants)
- Age: 21–75 at term end
- Exit strategy: Mandatory, evidenced and assessed at underwriting stage
- Early repayment: Permitted (subject to minimum interest period where applicable)
- Extensions: Not automatic and subject to reassessment

Intermediaries will have access to knowledgeable and experienced staff within the Afin Bank Commercial and Underwriting teams. Support will be provided to intermediaries to ensure they understand the Product and its suitability through direct engagement, training sessions, and intermediary resources.

Intermediaries should ensure the Product is only recommended where it meets the customer’s needs, characteristics, and objectives, and that alternative options have been considered.

The Product is only available through FCA-authorised mortgage intermediaries on an advised basis.

Full eligibility criteria can be accessed on our Intermediary website via afinbank.com/intermediaries.

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 to distribute the Product.

Customer Circumstance	Distribution Strategy	Customer Need and Objectives
Customer requiring short-term residential finance to complete a time-sensitive transaction (e.g. chain break, auction purchase, or purchase-before-sale).	Available through FCA-authorised mortgage intermediaries only.	Ability to complete quickly and securely where mainstream mortgage funding is not available within required timeframes.
Customer raising funds against an existing property pending sale or refinance.	Applications are accepted on an advised basis only, with intermediary onboarding, due diligence, and ongoing monitoring to uphold standards.	Access to short-term funding to support property transition, with a clear and defined repayment strategy.
Customer undertaking light refurbishment or property improvements to enable future mortgage ability or sale.		Funding to complete works that support a future refinance or sale, without the need for monthly repayments during the term.
Customer with complex or transitional income (e.g. self-employed, between roles, or variable income) not suited to standard mortgage affordability models.		Access to lending through manual underwriting, with assessment based on overall circumstances and exit strategy rather than standard affordability metrics alone.
Customer requiring a temporary funding solution during a life event (e.g. probate, matrimonial settlement, or relocation).		Short-term financial stability during a transitional period, with a defined exit and no long-term borrowing commitment.
Customer who is asset-backed with sufficient equity and a credible, evidenced exit strategy within 12 months.		Ability to raise capital secured on property with confidence that the loan can be repaid through sale or refinance within the agreed term.

The Product is not designed for customers:

- Who require long-term or open-ended borrowing solutions.
- Who do not have a clearly defined, credible, and evidenced exit strategy.
- Seeking to use the product for speculative purposes or where repayment is uncertain.
- Who require funding for heavy refurbishment, development, or change of use.
- Corporate entities or SPV borrowers.
- Experiencing significant financial distress or unable to demonstrate sufficient liquidity and resilience.
- Who do not meet lending, property, or regulatory eligibility criteria.
- Who require execution-only or direct-to-consumer access (the Product is advised-only).
- Who intend to rely on extensions beyond the contractual term (extensions are not automatic and subject to reassessment).

4. Customers with characteristics of vulnerability

While this Product is designed for specific customer segments, Afin recognises that vulnerability is dynamic and may affect customers at any stage of their journey, including before application, during the term, or at the point of exit.

For Regulated Bridging customers, vulnerability may be more prevalent due to the time-sensitive and transitional nature of the borrowing, and the reliance on a successful exit strategy to repay the loan within a fixed term.

At the start of every customer journey and mortgage application, customer vulnerabilities are captured on internal systems. As vulnerability is not fixed and may change over time, this information can be updated throughout the lifecycle of the loan.

The Product is structured with no monthly repayments, with capital and rolled interest repayable in full at maturity. While this can support customers' short-term cash flow, it concentrates repayment risk at the end of the term and may increase the potential for harm if the planned exit strategy is delayed or does not materialise as expected.

Support is underpinned by Afin Bank's Vulnerable Customer Policy and Arrears and Forbearance Policy, with all associated costs included in the pricing model. Vulnerable customers do not pay more than others.

Common Triggers for Vulnerability:

- Time pressure linked to property transactions, auctions, or legal deadlines.
- Bereavement, probate, divorce, or relationship breakdown.
- Redundancy or temporary disruption to income during a property transition.
- Mental health conditions affecting financial decision-making.
- Adverse changes in market conditions impacting the ability to sell or refinance.

For Customers with Transitional or Irregular Circumstances:

- May have variable or temporarily disrupted income linked to life events or employment changes.
- May rely on future events (e.g. property sale or refinance) to repay the loan.
- May underestimate the likelihood or impact of delays to their exit strategy.

Product-Specific Considerations:

- The short-term, exit-dependent nature of the Product means customers are exposed to risks if the exit strategy is delayed or fails.
- The impact of adverse outcomes may be greater than for longer-term mortgage products, particularly where transactions fail or repayment cannot be achieved within the agreed term.
- Customers may focus on speed of completion and underestimate total cost or exit risk.

Afin Bank has implemented a framework to identify and support customers with characteristics of vulnerability, which includes:

- Training for frontline and underwriting staff to recognise and respond to vulnerability.
- Clear, timely, and accessible communication to support customer understanding of risks, costs, and obligations.
- Enhanced suitability assessments where vulnerability or time pressure is identified.
- Independent validation and stress-testing of exit strategies to mitigate over-optimistic assumptions.
- Ongoing monitoring of customer circumstances and exit progress throughout the loan term.

Processes are in place for distributors to notify us of any characteristics of vulnerability at the point of application. Procedures are also in place to manage any vulnerabilities identified throughout the lifetime of the loan.

All intermediaries are expected to meet their regulatory obligations by identifying and supporting customers in vulnerable circumstances and ensuring they receive suitable advice and outcomes.

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

The outcomes of the assessment process are presented to Executive Risk and Compliance Committee and Board Risk and Compliance Committee, allowing for challenge and further investigation before we sign-off the outcomes and share the summary of our assessment with you.

The Product is subject to ongoing monitoring, including review of customer outcomes, complaints, arrears, exit performance, and market conditions to ensure it continues to deliver fair value

Our fair value assessment has considered the following:

Benefits	Price	Costs	Limitations
<p>A range of product features designed to meet short-term funding needs, including fast access to capital, no monthly repayments, and fixed interest rates providing cost certainty.</p> <p>The Product supports customers in achieving time-critical property transactions where mainstream mortgage solutions are not immediately available.</p> <p>Manual underwriting enables a tailored and flexible approach to individual customer circumstances, supporting access for customers with complex or transitional situations.</p> <p>High service levels and intermediary support ensure a clear, transparent, and well-managed customer journey.</p>	<p>Pricing is informed by internal modelling and peer benchmarking across:</p> <ul style="list-style-type: none"> • Interest rates • Fees and charges (including arrangement and exit fees) • Broker remuneration structures <p>Pricing reflects the short-term, specialist nature of the Product and aims to balance commercial sustainability with fair customer outcomes.</p> <p>All costs are clearly disclosed upfront in line with MCOB and Consumer Duty requirements to support informed decision-making.</p>	<p>Cost of funding the Product.</p> <p>Operational costs associated with manual underwriting, case assessment, and exit validation.</p> <p>Distribution costs, including intermediary commissions and oversight.</p> <p>Ongoing servicing costs, including customer support, account management, and proactive monitoring of exit strategies and maturity.</p>	<p>The Product is a short-term, closed-term solution and is not suitable for long-term borrowing needs.</p> <p>The Product relies on a clearly defined and achievable exit strategy; delays or failure to exit may increase costs and risk of customer harm.</p> <p>The Product is not suitable for customers outside the defined target market, including those without a credible exit strategy, those requiring complex development funding, or those experiencing financial distress.</p>

Results of our assessment

Our assessment concluded that the Product delivers fair value for customers in the target market for the Product. This assessment considers the total benefits, price, costs and limitations of the Product, and concludes that these are proportionate and provide fair value to customers in the target market.

We're here to help by phone on **0333 344 2974** from 09:00 - 17:00, Monday to Friday (excluding bank holidays). You can also email us at support@afinbank.com.

If you need an alternate format, please contact us at support@afinbank.com.

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