

Perenna

FLEXIBLE FIXED RATE MORTGAGES

Perenna information and Flexible Fixed Rate Mortgage Product Specification

For professional intermediary use only

About Perenna

Perenna was established to create a nation of happy homeowners. We believe that everyone who can afford a home should be able to own one.

To achieve this, we knew things needed to change. That's why we've created a new kind of mortgage bank. A bank that changes how mortgages are funded. This allows us to offer flexible long-term fixed rate mortgages that protect our customers from rising interest rates.

Our range allows customers to better plan for the future. And it allows us to help more people onto the property ladder.

What's more, we don't apply age limits to our products. That means helping more people to stay in their home throughout retirement.

2018 Arjan, Hamish and Colin incorporated Perenna to start a Danish-style mortgage bank using covered bond funding.

2019 Initiated the journey towards becoming a licensed bank by submitting the core regulatory documentation.

2020 Invited to submit a bank licence application. Raised a £7 million Seed Round to support the bank licence application.

2021 House prices reach record levels, and first-time buyers are locked out of the market, proving the need for a bank like Perenna. We're working hard to build a unique type of bank and the team is growing.

2022 Authorised as a bank with Restrictions by the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA). Raised a £25 million Series A from IAG Silverstripe. Inflation resulted in increasing interest rates and uncertain times ahead for mortgage borrowers.

2023 Raised over £42 million in latest round of investment. Received full banking licence from the PRA and FCA.

2024 Began lending to customers.

2025 Expanded our product portfolio with the 5 and 10-year fixed-term options.

What do brokers say about Perenna?

"I can safely say that it was the best first case I had ever submitted to a new lender in 20 years. Staff, policy, system and speed were all top class."

"Couldn't have been more impressed with the service I received from Perenna and cannot thank you all enough. System felt very modern, smooth and easy to use without too many questions. Support teams are the best I have dealt with in a while, everyone was super helpful over the phone and even the underwriter on the case was responding within hours. Client went with Perenna for help with affordability and I will now be recommending Perenna a lot more."

"Dealing with Perenna is pretty joyful, we get fantastic support, quick processing times and a great alternative to interest only for older borrowers – what's not to like!"

Recognition

- Nominated for Best Small Lender in the 2024 L&G Mortgage Club Awards
- Shortlisted for Best Later Life Lender at the 2024 AIR Later Life Lending Awards
- Highly Commended Fixed Rate Mortgage Lender at the Personal Finance Awards 2024/25
- Winner of Best Remortgage Lender at the Personal Finance Awards 2024/2025
- Winner of the Best Remortgage Lender at the Personal Finance Awards 2025/2026
- Recognised in Smart Money Peoples Mortgage Lender Benchmark (H2 2025) as Best Newcomer and Best for Relationship Management

Get in touch

Got a question? Our dedicated team will be happy to help.

Please contact our Business Development Team with new business enquiries or for any training needs.

Our Intermediary Support Team is also on hand. It can support with registration, new business enquiries, DIP declines, escalations and application advice.

You can reach us by phone, live chat, or email. Phone lines and web chat are open Monday – Friday, 9:30am – 12pm and 1pm - 5pm (except bank holidays).
Tel: *0333 344 1013* Email:*broker@perenna.com*

The Perenna Flexible Fixed-Rate Mortgage

Perenna's flexible fixed rate mortgage is all about giving customers long-term peace of mind with fixed interest rates for 5 to 10 years. The product is designed to help make homeownership more affordable and provide flexibility where a customer does not wish to pay a higher premium to secure a 'fixed for life' product and they are willing to accept a small amount of interest rate risk, knowing that their rate may increase after the 5-10 year term. That means customers enjoy consistent monthly payments on loans up to 95% of their property's value for up to 10 years. What's more, customers may be able to borrow up to six times their income, subject to criteria.

The product does include early repayment charges ("ERCs") for the fixed rate period, however these are only paid where the customer chooses to refinance, either to another lender or a new product with Perenna. If a customer sells their property or wants to fully redeem with their own funds, then this would not incur any ERCs. The product also allows for small overpayments, up to 10% of the outstanding balance per year, without ERC.

To help provide more options, there's no maximum age limit, and after the initial fixed period, the customer can repay or switch without penalties. This product combines long-term stability with the flexibility to adapt as customer's needs change.

Product criteria

Loan Type	Purchase, Remortgage, Further Advance
Repayment Type	Capital and Interest, Interest Only (75% LTV max)
Term	5 – 40 years
Fixed period	5 – 10 years
Min Loan	£25k for new applications, £10k for further advance, £100k for new build houses and flats
Max Loan	£1.5m
Max LTV	95%
Offer validity	90 days remo, 150 days purchase
Lending into retirement	Max LTV 75% where all applicants are aged 65 or over at point of application, and where their age at the end of the term exceeds 85.
Proc Fee	0.4% at completion
Early Repayment Charges	ERCs for term of initial fixed period, up to max 9%, reducing over the period. Only payable on refinance or on overpayments exceeding 10% per annum. Not payable if the property is sold or on full redemption from own funds. 5 year (6% / 4% / 4% / 2% / 2%) 10 year (8% / 8% / 8% / 8% / 6% / 6% / 4% / 4% / 2% / 2%)
Flexible Features	Fee free options, free valuation and fee assisted conveyancing available on some products subject to qualifying criteria.

Portability	Portable subject to lending criteria applicable at the point of the request being received.
Overpayments	Yes, up to 10% per annum of outstanding balance without ERC. The outstanding balance is as at the start of the period, refreshing on the anniversary of the completion of the loan each year. Overpayments can be used to reduce term or reduce payments.

For full criteria, please visit our intermediary website.

Interest Only Criteria and Repayment Strategies

Loans must be affordable on a capital and interest basis. Acceptable repayment vehicles are:

- **Sale of property.** A future sale of the mortgaged property is acceptable, subject to there being equity at completion of at least £300,000 for properties in London and the South East, and £150,000 elsewhere. You can find a list of postcodes to help determine the area of the property in the useful documents section of our website.
- **Savings and Investments** where the current value is sufficient to repay the loan amount. Investments linked to stocks and shares must be sufficient to repay the loan balance when assuming a 20% reduction in value. We can't accept forecast values.
- **Sale of other property** where the current equity available in the property(s) is enough to repay the loan.
- **Pension lump sum** can be used where 25% of the current value of the pension pot (to represent a typical lump sum), equates to greater than or equal to the loan amount. Forecast pension balances are not acceptable.
- **A combination of the above.**

Who is the Perenna Flexible Fixed Rate Mortgage for?

This product is for borrowers:

- Looking to purchase their first home.
- Existing homeowners looking to move home.
- Existing homeowners looking to remortgage.
- Existing homeowners looking to remortgage or move home later in life.
- Borrowers who are looking for a high degree of fixed interest security, but are not willing to pay a higher premium for a fixed for life product.

Who isn't this product designed for?

This product is not designed for borrowers who:

- Are classed as sub-prime, or where they cannot satisfy our affordability or lending policy requirements.
- Later life borrowers whose circumstances would be more suitable for an equity release, interest roll up, or retirement interest only product.
- Customers under the age of 18, or who reside outside of the UK.

How to apply

Perenna lending products are solely available via our Intermediary distribution panel. This includes selected mortgage clubs, Directly Authorised firms and Appointed Representative networks.

Who isn't this product designed for?

This product is not designed for properties located outside of England or Wales. It's also not appropriate for borrowers who:

- Are classed as sub-prime, or where they cannot satisfy our affordability or lending policy requirements.
- Later life borrowers whose circumstances would be more suitable for an equity release, interest roll up, or retirement interest only product.
- Customers under the age of 18, or who reside outside of the UK.

Fair Value Assessment

Our approach to meeting the Products & Services Outcome and Price & Value Outcome – Information for distributors of the Product.

This summary 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'.

Summary of our assessment

We have assessed that:

- Our prime residential purchase and remortgage product range 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).

Customers with characteristics of vulnerability

The product is designed for the prime mortgage market. This is likely to include some customers with characteristics of vulnerability or who will experience vulnerability over time.

We have designed an overarching vulnerability framework to help identify, support, and manage customers with characteristics of vulnerability. The framework we have in place operates from loan inception through to maturity or closure. It allows us to provide flexibility in our processes to support vulnerable customers. It also allows us to monitor and ensure that we achieve good outcomes for vulnerable customers.

It includes but is not limited to the following:

- All front line Perenna staff receive training on how to identify and support vulnerable customers.
- All communications are available in Braille or large print if requested.
- Support can be put in place for customers in financial difficulty, which may include payment plans or payment holidays.
- Documents are issued digitally but can also be sent physically if required.

This product has no maximum age limit, so there is an additional risk of customer vulnerability due to age. To mitigate the risk of customer harm due to vulnerability in later life, Perenna has introduced additional lending criteria relating to older borrowers. Lending is restricted by loan to value. Some older borrowers, or those with vulnerabilities and where we deem it appropriate, will be asked to seek independent legal advice. This will happen before we allow funds to be disbursed. By getting independent legal advice we can ask that customers fully understand the terms and conditions of the loan.

As an intermediary partner, you should continue to comply with your obligations to ensure that you treat customers in vulnerable circumstances fairly. You should inform us if you identify a vulnerable applicant for a Perenna mortgage.

Please contact us if you need any further information about how we support the needs of all our customers in relation to the product.

Our value assessment

We have developed a comprehensive and robust assessment process. This 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 our Marketing and Product Committee. This allows for challenge and further investigation before we approve the outcomes and share the summary of our assessment with you.

Our fair value assessment has considered the following:

Benefits

The product provides benefits to customers in the form of a fixed payment for a specified term, with a shorter- term early repayment charge period. We have considered the ongoing service and support available to customers once they have completed their purchase or remortgage to Perenna. The flexible features included with the product have been assessed. The way we communicate with our customers has been designed to be flexible and accessible, and has been reflected in this assessment.

Price

The interest rate charged for the product is calculated using an approved model. This considers the cost to Perenna of financing the loan. It also considers operational costs, acquisition costs, reasonable business profits, and appropriate charges to cover the risk profile of the loan. A management overlay is applied to pricing within an approved framework. This allows for competitiveness in the market and allows us to maintain service levels.

Costs

All fees associated with the loan have been assessed to ensure that they are fair and reflect actual costs and/ or risks associated with the product. Fees are regularly reviewed to ensure they remain fair and are published on our website.

This includes origination costs and those associated with in-life servicing.

Limitations

Where the product has restrictions or limitations these have been assessed to ensure they are fair and reasonable.

Results of our assessment

Our assessment concluded that the product delivers fair value for customers in the target market for the product.
This product provides fair value as it is:

- Designed to meet the needs of the identified target market.
- Offered via intermediaries who can offer the customer choice. And they will make a recommendation based upon their individual needs.
- Offered to customers who are provided with suitable pre-sale and post-sale information. This relates to product features, risks, and benefits.

No unfair or unreasonable product limitations restrict the benefits that customers can realise from their product and therefore inhibit them extracting a fair value exchange.

We regularly monitor and review our products, and if there are any material changes identified then this document will be updated and reissued, highlighting the changes.

For professional intermediaries only. This is not a financial promotion and should not be used as such.
Perenna Bank PLC is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under registration number 956138. Perenna Bank PLC is a company registered in England and Wales with company number 13084174. Our registered office is at The Bloomsbury Building, 10 Bloomsbury Way, London, WC1A 2SL. PB682