



Legal & General Mortgage Club announces addition of Perenna to lender panel

- Partnership gives Legal & General Mortgage Club members access to Perenna's range of long-term fixed-rate mortgages

Legal & General Mortgage Club has added a range of long-term fixed-rate mortgages from Perenna Bank to its lender panel.

The partnership will see Perenna's long-term fixed-rate mortgages rolled out in the UK via intermediaries working with Legal & General. Perenna's mortgages are fixed for the full term, between 20 and 40 years, with only a five-year early repayment charge (ERC).

Customers can access up to 95% LTV products, and up to six times a borrower's income, subject to criteria. This could act as a significant lending boost for many first-time buyers who consistently struggle with affordability. Perenna's mortgages have no maximum age limits and no SVR.

Perenna uses a 'Danish' bank funding model based on the covered bond market, rather than relying on short-term savings or deposits as the traditional high street lenders do. This allows the firm to fix its rates for the full term of the mortgage. The lender does not apply higher rates to stress test borrowers to determine their ability to afford a mortgage, as it has no reversion rate. The lender's goal is to provide borrowers with certainty over their monthly repayments and to remove any concerns around changing rates, whilst giving them the flexibility to change their mortgage when the time is right for them.

Through the partnership Perenna will support a range of customers; from helping first-time buyers onto the property ladder and giving them confidence that their monthly payment will not change, to providing a mortgage option to those approaching or in retirement, with no end-of-term age limit.

Long-term fixed-rate mortgages won't be suitable for every borrower, but they may provide underserved markets with an innovative new option, and good customer value.

Clare Beardmore, Director, Legal & General Mortgage Club:

"We pride ourselves on offering a range of mortgage solutions to our members that best suit their customers' needs. Perenna is looking to provide certainty over customers' monthly payments, and a range that opens up new options for borrowers.

"With recent volatility in mortgage rates, rising living costs and stubborn levels of inflation, long-term stability is something borrowers are searching for more and more. In this changing market, we believe it's important to continue to expand our product offering and support advisers with new and innovative solutions, so they can best serve their clients. We are excited to see this innovative brand launch on our lender panel."

Colin Bell, Chief Operating Officer and Co-founder, Perenna, said:

"We're excited to be launching our range of long-term fixed rate mortgages through Legal & General Mortgage Club. Customers will be secure in the knowledge that their monthly repayments are fixed for the long-term, whilst knowing they can also change their mortgage if and when they want to without any charge, after five years. At a time when mortgage affordability continues to be strained for first time buyers, our products will help people get a foot on the property ladder by allowing them to borrow more in a sustainable way. We believe our products will go a long way to solving some of the mortgage market's most common issues, and our partnership with Legal & General will help us achieve that goal."

Notes to editors

About Legal & General

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with over £1.2 trillion in total assets under management* of which 39% is international. We have a unique and highly synergistic business model, which continues to drive strong returns. Legal & General provides powerful asset origination and management capabilities directly to clients, which also underpin our leading retirement and protection solutions. We are a leading international player in Pension Risk Transfer, in UK and US life insurance, and in UK workplace pensions and retirement income. Our purpose is to improve the lives of our customers and create value for our shareholders. Through inclusive capitalism, we are investing in long-term assets, such as real estate and infrastructure, that can help build a better society for the future.

*as at August 2023

About Legal & General Retail

Legal & General Retail helps create brighter financial futures for all our customers. The division covers the savings, protection and retirement needs of our c.13 million retail policyholders and workplace members.

In 2022, we had total individual annuity sales of £954 million, and issued £632 million of Lifetime Mortgages and Retirement Interest Only Mortgages. Our Workplace pension platform served 4.9 million members, while our Protection businesses gave peace of mind to more than 6.3 million UK life insurance, 1.8 million group and 1.5 million US customers, taking in £3.1 billion of gross written premiums.

<https://www.legalandgeneral.com/adviser/mortgage-club/>

Further information [journalists only]

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