

Molo Finance partners with Rothesay to enter the residential mortgage market with its 15-40 year 'FlexLife Mortgage'

The partnership allows the digital mortgage lender to launch the product today and deliver on its promise to make home ownership in the UK easier for everyone

News Highlights

- Molo Finance's 'FlexLife Mortgage' range will provide consumers with a fixed-interest rate from 15 to 40 years, offering stability and certainty to customers for years to come
- First time buyers can take advantage of up to 95% loan-to-value products to buy with just 5% deposit
- Molo is the first UK mortgage provider to offer 24/7 direct-to-consumer mortgages through a fully digital process, available online at www.molofinance.com
- With rates starting at 2.92%, the mortgages have flexible product features including: a 10% annual overpayment facility, the ability to port to a new home, and the option to pay off the entire balance in full at any time without penalty upon sale of the property or through personal funds
- The product range were introduced after Molo's research shows that over 90% of 'Generation Rent' are finding it hard to achieve homeownership
- The products will be wholly funded by Rothesay Life Plc (Rothesay), the UK's largest specialist pensions insurer

Tuesday, 15th March 2022: [Molo Finance](http://www.molofinance.com), the UK's first fully digital mortgage lending platform, is announcing the launch of its first residential product 'FlexLife Mortgage', thanks to a funding arrangement with the UK's largest specialist pensions insurer, [Rothesay](http://www.rothesay.com). From today, consumers will be able to visit the Molo website and receive a mortgage in principle directly without any physical paperwork: a new mortgage process fit for the future.

Molo has provided buy-to-let mortgages since 2018, and the success of this product – thanks to the speed and efficiency a digital only model provides – has put the London-based fintech in a position to launch its first residential product, a mortgage with a fixed-interest rate for up to 40 years.

As a result, first-time buyers and homeowners can now fund their next home purchase direct with Molo – furthering progress on Molo's aim to make homeownership easier for everyone with a direct-to-consumer offering.

Molo launches this product at a time when a large number of home buyers are struggling to get onto the housing ladder. *Introducing Generation Rent*, a recent report by Molo – based on research conducted with over 1,000 renters aged between 25 and 40 years olds – found that:

- 91% of respondents thought that owning a house was hard to achieve and one in four aspiring house buyers described the ambitions as 'hopeless'
- Affordability is the biggest problem as 48% said it was a barrier to homeownership
- 82% will postpone buying due to increasing housing prices and the impact of the pandemic on the market
- 37% are saying that they felt more pressure to own a home than to have a successful career

The new 'FlexLife Mortgage' can help address some of the most common barriers cited in the research. The new loans from Molo are available for up to 95% of the property value, meaning that borrowers only need to find a 5% deposit. The interest rate on the loan is fixed for its full term (from 15 to 40 years), which also means many borrowers may be able to borrow more (up to 6x their

income, subject to affordability) as affordability does not need to take into account potential future interest rate rises.

As well as providing certainty and security for the life-time of the mortgage, 'FlexLife Mortgages' are also designed to be flexible enough to respond to life changes, with product features such as:

- 10% annual overpayment allowance based on original loan amount – a more competitive allowance than most fixed-rate mortgages
- Flexibility to take your mortgage with you when you move homes
- Pay-off entire balance with no penalty upon sale of property or through personal funds
- No early repayment charges for critical illness and/or occurrence of death

Product rates start at 2.92% for a 60% LTV 15-year mortgage, with 25-year and 40-year 60% LTV products available at 2.95% and 3.19% respectively. 95% LTV products start at 3.70% for a 15-year mortgage, with 25-year and 40-year products available at 3.81% and 4.01%.

The past few years have been a time of great uncertainty in the UK housing market. As the cost of living also becomes a growing concern for many people, Molo is providing a new generation of house-buyers with greater stability in managing their mortgage along with a fully digital process. At the same time, it is helping first time buyers move on to the property ladder, making homeownership easier for everyone.

Speaking about the 'FlexLife' mortgage product range Francesca Carlesi, CEO and Co-Founder of Molo, said: *"Over the past few years, Molo has quietly built the foundation needed to launch a residential product. The interest and growth we have seen off the back of our buy-to-let product has confirmed our belief that there is a need for a direct, fully digital residential product within the UK market, and we are delighted to be partnering with Rothesay to provide it. Our 'FlexLife Mortgage' allows customers to enjoy the long-term flexibility and security they deserve along with a smooth home buying experience."*

Tom Pearce, Managing Director, Rothesay, adds: *"We are really pleased to support Molo in bringing a new, simple, long-term mortgage product to the market which offers borrowers future certainty as well as making it easier for first time buyers to enter the property market. These new mortgages combine the security and predictability that many borrowers are looking for but also offer the flexibility they might need over the course of the loan. Rothesay is a significant investor in the UK with over £60bn of assets under management, and these mortgages offer a further attractive investment for us as we secure the future for our pension policyholders."*

John Glen, Economic Secretary to the Treasury, also adds *"I welcome today's announcement from Molo and Rothesay - which will make the mortgage market more competitive and offer consumers greater security over the long term. It's fantastic to see the market continuing to innovate and expand the range of products on offer to homebuyers, meaning people getting on or moving up the housing ladder will have more options and greater flexibility when picking the right product for them."*

About Molo

Molo is an award-winning fintech start-up that is transforming the mortgage industry as Europe's only digitally native mortgage lender. Since it launched in 2018, the start-up uses technology to deliver simpler and faster online mortgage lending – making homeownership easier for everyone.

Since its launch, Molo has led change in the UK mortgage industry, delivering online buy-to-let mortgage loans to customers with both speed and efficiency. With over 30x year-over-year growth in 2021, it has served more than 5,000 customers, originating over £300m in online mortgage loans to date. Molo was selected by Tech Nation's fintech and Upscale programs for the leading UK start-ups, and has won several awards, including 'Best Digital Mortgage Lender' at the Fintech Awards and 'Best Online Mortgage Lender' at the Lending Awards.

Following FCA authorisation, Molo is entering the regulated residential mortgage market with its FlexLife Mortgage range, taking another step towards its goal to make homeownership easier for everybody in the UK.

For further information about Molo Finance please visit www.molofinance.com

About Rothesay

Rothesay is the UK's largest pensions insurance specialist, purpose-built to protect pension schemes and their members' pensions. With over £60 billion of assets under management, we secure the pensions of more than 800,000 people and pay out, on average, approximately £230 million in pension payments each month.

Rothesay is dedicated to providing excellence in customer service alongside prudent underwriting, a conservative investment strategy and the careful management of risk. We are trusted by some of the UK's best known companies to provide pension solutions, including the schemes of Allied Domecq, Asda, British Airways, Cadbury's, the Civil Aviation Authority, National Grid, the Post Office, Prudential and telent.

Rothesay has two substantial institutional shareholders, GIC and Massachusetts Mutual Life Insurance Company ("MassMutual"), who provide the company with long-term support for its growth and development. In September 2020, our shareholders increased their investment in Rothesay through a transaction which valued the business at £5.75bn.

Rothesay refers to Rothesay Limited and its subsidiaries and is the trading name for Rothesay Life Plc, an insurance company authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Firm Reference Number: 466067. Rothesay Life Plc is registered in England and Wales with company registration number: 06127279 and registered address: Rothesay Life Plc, The Post Building, 100 Museum Street, London WC1A 1PB.

For further information about Rothesay please visit www.rothesay.com

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