



Your Guide to Lifetime Mortgages

A flexible way to help finance your retirement



age care
bathrooms

Making the most of your retirement

Deciding how to spend your retirement is a very personal thing. Your financial situation plays a big part in determining what you can do with your time, from the way you live every day and the holidays you can take to how much you can support your family.

As people live longer, face rising living costs, or experience changing circumstances, they may need to explore ways to increase their pension income. That's where releasing some of the value tied up in your home can help, by using equity release.

This guide is designed to give you an overview of equity release. What it is, what it could mean for you, how the process works and who to speak to for more information.

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What is equity release?

Over the years, property prices have risen, and this could mean that your home is worth more now than when you bought it. Equity release is a way for you to benefit from this rise in value by letting you access some of the money that's tied in your home to spend on whatever you like, without having to move out. As the money you release is yours in the first place, any cash you receive is tax free.

A **lifetime mortgage** is a long-term loan secured against your property. You can take a single lump sum or opt for a draw-down, releasing ad-hoc smaller amounts of money when you need it. Whatever you borrow will usually be repaid at the time of your death or if you move into long-term care.

If you meet these criteria, you could be eligible for a lifetime mortgage if you are:

- A homeowner
- Are of qualifying age (typically over 55)
- A UK resident

Lifetime mortgage products can offer benefits including:



No negative
equity guarantee



Downsizing
protection



ERC free
repayments



Fixed ERCs



Porting available



Drawdown facility

Is a lifetime mortgage right for me?

It's important to remember that an equity release product, like a lifetime mortgage, is a long-term commitment. It will usually be repaid at the time of your death or if you move into long-term care. Here are just a few things to consider and discuss with your adviser:

- Downsizing and other forms of finance should be considered.
- Lifetime mortgages have compound interest roll-up.
- If you decide to pay off your mortgage early, there may be early repayment charges (ERCs).
- A lifetime mortgage will affect the inheritance you leave behind.
- Advice is required on how it may affect your state benefit and care provision.

What can I use lifetime mortgages for?

If you choose a lifetime mortgage, you can use the tax-free cash you release for a wide range of things, such as:

- Repaying your existing mortgage.
- Increasing your day-to-day income.
- A once-in-a-lifetime holiday.
- Helping family get on the property ladder.
- Upgrading your home – for example, installing a new kitchen, or energy-efficient heating or windows.



How much could I borrow?

The amount you can release depends on your property's value, your age and the sum you want to borrow. Your adviser will be able to tell you what the maximum amount you can borrow is.

What costs are involved?

Your equity release adviser will also be able to give you full details of what you may have to pay for, but costs can include:

Valuation fee – the cost of valuing your property is payable when you submit your application.

Arrangement fee – this can be paid up-front when you apply or paid on completion and added to your loan. If you add it to your loan, you will need to pay interest on this amount.

Solicitor fees - you will need to agree on these fees with the solicitor you choose. The lender's legal fees may be included in the arrangement fee.

Advice fee – your equity release adviser may charge you a fee. You should agree this with them at the outset.

Early repayment charge – a lifetime mortgage is designed to last for the rest of your life but can be repaid at any time. Most lifetime mortgages are available with up to 10% ERC-free repayment facilities, and some products with up to 40%. You may incur an early repayment charge if you repay your loan early.



How does the process work?

Taking out a lifetime mortgage should be a straightforward process. Your adviser will work with a lender, like us, to make this as smooth as possible for you.

The steps involved can include:

1. Researching your options and finding out if you're eligible

Talk to an independent equity release adviser to find out if you meet the criteria. They will also talk through your options and explain what's involved.

2. Talking to your loved ones

A lifetime mortgage may or may not be right for you. It's important to discuss it with anyone it may impact in the future, like your family. They can also join you when you meet your adviser, if you wish.

3. Getting your tailored recommendations

Your equity release adviser will take your details and provide a recommendation tailored to your situation. It may seem like they are asking many questions to ensure they have all the facts, making the application process smoother.

4. Completing your application

If you're happy to proceed, your adviser will complete your application with you. You will also need to appoint a solicitor.

5. Getting your home valued

The lender you have chosen will arrange for your property to be valued.

6. Receiving your offer

Once your home has been valued and your application processed, an offer will be sent to you, your solicitor and your adviser.

7. Checking the details

Go over the offer and make sure that you are happy with everything. Your adviser should be able to answer any questions that you may have.

8. Receiving your money

Your solicitor will finalise the legal documents, and the money you release will be paid to you via your solicitor.



Frequently asked questions

When I apply

- **How much can I release?**

This will depend on your circumstances, your age, the property value, and the product you apply for. Your adviser will be able to talk you through your options and give you a personalised illustration.

- **What's the interest rate?**

Rates will vary depending on when you take your plan out. Ask your adviser for the rates that are available to you.

- **Are there fees involved?**

Yes, there are – see page 5 for more information. Your adviser will be able to give you a breakdown of all costs and explain what this will mean for your loan.

- **Who should I discuss my plans with?**

It may help to chat through with a friend or family, but remember that all lifetime mortgage applicants must have had advice from a qualified equity release adviser.

- **Will equity release affect my benefits or tax situation?**

Equity release boosts the cash you have available; therefore, it could affect your entitlement to means-tested benefits. The money you release is tax-free but can affect the tax you pay. Find out more from your adviser, HM Revenues & Customs, or an organisation like the Citizens' Advice Bureau.

When I receive the money

- **Will I still own my home?**

Yes, you're still the legal owner, with the lifetime mortgage being secured against the property.

- **Can I make changes to my home?**

You can make improvements to your home, and many people use the money they release for this purpose. But you will need to let your lender know if these are structural changes.

- **Can I move house?**

Yes - As long as the new home meets your lender's lending criteria, you are free to move house. You have the option to downsize and pay off the mortgage, just keeping in mind the lifetime mortgages early repayment charges.

- **Can I use a lifetime mortgage to pay off my existing mortgage?**

Yes, and many people do. You just need to check that the amount you can release will cover your mortgage balance.

Once the loan is paid back

- **Will I still be able to leave an inheritance?**

Equity release reduces the amount of inheritance you leave behind, as you have released funds from your property early. Some customers release the money to gift to their family before they pass away; in such cases, you should learn more about Inheritance Tax from HM Revenues & Customs or speak to a financial adviser

- **What happens if I die or go into long-term care?**

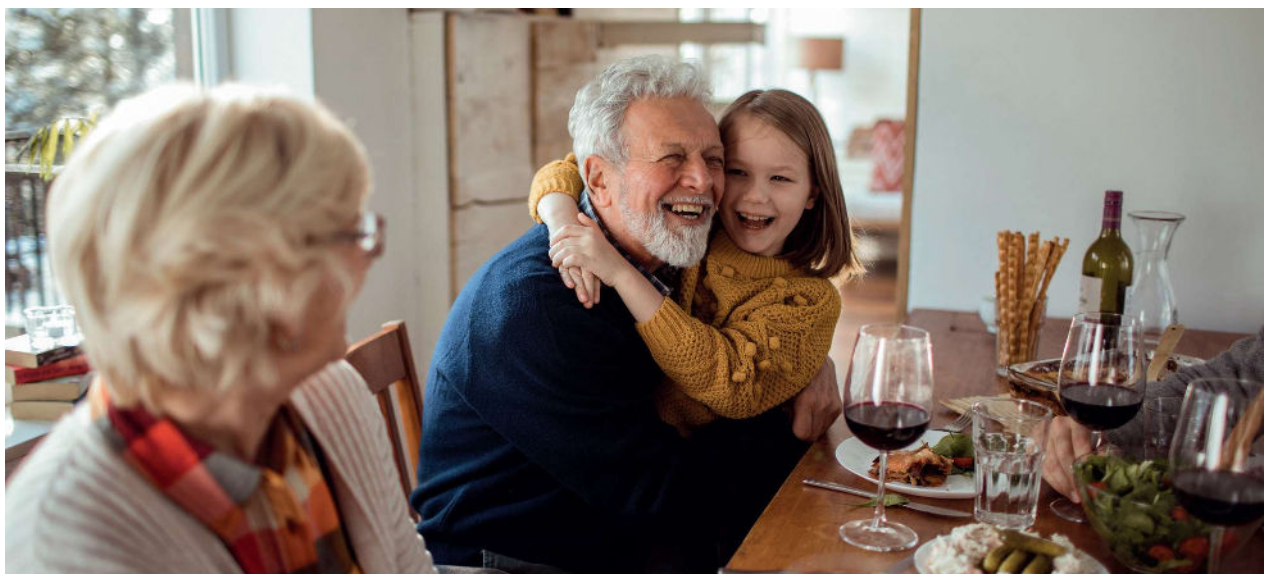
Upon the death or entry into long-term care of the last borrower the lifetime mortgage becomes payable and interest will continue to accrue until the loan is repaid.

About us

As an equity release adviser, I play a crucial role in helping clients unlock the value tied up in their homes while ensuring they make informed financial decisions. My expertise allows me to guide homeowners, often retirees, through the complexities of releasing equity, whether through a lifetime mortgage or a home reversion plan.

By assessing your financial situation, long-term needs, and potential risks, I provide tailored advice that aligns with your goals, ensuring you have the financial freedom you desire without compromising future security. My role goes beyond just offering financial solutions; it involves building trust and fostering strong relationships with clients and their families.

I help you navigate concerns about inheritance, affordability, and potential impact on benefits, ensuring transparency at every step. With regulatory knowledge and a commitment to ethical advice, I ensure that you fully understand your options and make choices that work best for your circumstances. Ultimately, my aim is to empower people to enjoy their retirement with confidence, knowing they have a financial plan that supports their lifestyle.



**For additional independent advice,
try these organisations:**

Money Helper

Call: 0800 138 7777
www.moneyhelper.org.uk

Financial Conduct Authority

Call: 0845 606 1234
www.fca.org.uk

Unbiased

Call: 0330 100 0755
www.unbiased.co.uk

The Equity Release Council

Call: 0844 669 7085
www.equityreleasecouncil.com

SOLLA - Society of Later Life Advisers

Call: 0333 202 0454
www.laterlifelendingstandard.co.uk

Vouched For

Call: 0203 111 0580
www.vouchedfor.co.uk

Are you ready to find out more about equity release?

Speak to an independent equity release adviser, who will be able to answer your questions and provide you with a personalised illustration.



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To discuss if Equity Release is the right option for you, please get in touch today.
A lifetime mortgage may impact your entitlement to means-tested benefits and the inheritance you may leave. FCA number: 912005.