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INDEPENDENT FINANCIAL ADVISERS
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A step by step guide to lifetime mortgages

A 10-point guide to what happens when... from first enquiry to receiving your money and beyond

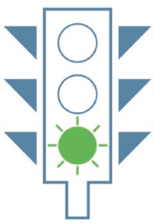
A lifetime mortgage is a popular type of equity release. It's a long-term loan which is secured on your property. The amount you can borrow depends on things such as your age and the value of your property. You don't usually have to make any repayments before the end of the plan. Instead, each year interest is added to both the loan and any previous interest that's already built up, which will quickly increase the amount owed. The loan and the interest are repaid in full, usually from the sale of your property, when you die or have to go into long-term care, subject to the provider's terms and conditions.

A lifetime mortgage will always reduce the inheritance you can leave and may affect your tax position and eligibility for some welfare benefits.

It's important to consider the benefits, costs and risks before deciding whether a lifetime mortgage is right for you.

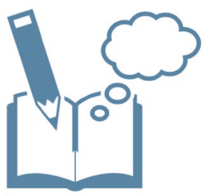
While timings can vary, typically the process of taking out a lifetime mortgage takes 8-12 weeks from your initial enquiry.

01 Make sure you're eligible



- You must be 55 or over (both to be over 55 for joint applications).
- You must be a homeowner and your property must be worth at least £70,000 with little or no mortgage outstanding. Any outstanding mortgage on the property will need to be repaid either before you apply for a lifetime mortgage, or from the money you release.
- There are other eligibility criteria which may vary from provider to provider – your adviser can help you here.

02 Do your homework



- Think about how much you need, what you want the money for, and make sure you have an idea of the current value of your home.
- Gather together bank statements, details of income, outgoings and any state benefits you may receive.
- Make a list of the questions you'll want to ask your adviser.

03 Meet with your adviser

- After talking everything through, your adviser will make a recommendation based on your wants, needs and future plans.
- You'll receive a personalised illustration - this will show what fees are payable, how interest is applied, and the circumstances in which early repayment charges are applicable - make sure you discuss all these with your adviser.

Get the family involved

04

- Your decision may have an impact on them, too.
- You might want to ask family members to attend your adviser meeting with you.

Make your mind up

05

- Arrange a second meeting with your adviser.
- This meeting is to confirm you want to go ahead with the application. It gives you another opportunity to address any questions that you may have or go through any outstanding paperwork with your adviser.
- It will also allow you to talk through the next steps – what will happen at the valuation stage and where the solicitors will fit into the process.

Application time

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- Your adviser will help you with the form and arrange an independent valuation of your home. You may have to pay for this up front.

Valuation and survey work

07

- Normally the valuation will be instructed within three days of your application.
- If any urgent repairs are needed you may have to get these done as a condition of your loan.

Talk to a solicitor

08

- Equity release is a contractual agreement, so you need to discuss it with a solicitor. Your adviser can help you arrange this.
- The time taken by solicitors can vary. There are a number of factors which can influence it, such as how quickly you require your money, how familiar you are with lifetime mortgages, and whether there are any property title or matrimonial issues which need to be resolved. You will be responsible for paying your own legal fees.

Your money arrives!

09

- The moment you've been waiting for!
- Money is paid to your solicitor on completion. If there are charges to be paid, including any fees or debts secured against the property, these will be settled first.
- The remaining funds are usually then transferred to your bank account.

A follow-up meeting?

10

- Talk to your adviser to make sure the rest of your finances still fit your needs.
- You might want to arrange a 'plan for the future' meeting, to review wills and powers of attorney.

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