

Your guide to Equity Release



me

Mortgage Experience

A personal approach to specialist mortgages

www.m-ex.co.uk

Is your retirement living up to expectations?

Retirement should be all about relaxing and enjoying what life has to offer. You may now have the time to spare after many years of hard work, but all too often a reduced income or limited savings can deny you the chance to enjoy your retirement to the full and make maintaining your lifestyle impossible.

The following pages of this guide explains the plans we have available to help you achieve the retirement you deserve.



After reading this guide we are sure you will have questions. We have found with previous customers meeting with one of our experienced advisers in person can be very beneficial and all questions can be answered accurately and quickly.

Call for more information or to speak to one of our Equity Release Specialists on 01257 226654

What is Equity Release?

Equity Release is a way of converting some of the value that is tied up in your home, into money you can use now for whatever your requirement may be. This means you can benefit from the value of your home without having to sell up and move to a cheaper and unfamiliar area.

Why use Equity Release?

Money isn't everything, but being forced to compromise with a reduced lifestyle can be a difficult and upsetting experience. Having to watch your money can not only stop you pursuing opportunities that life has to offer, but may also mean missing out on socialising and not keeping in touch with friends and family!

There are many reasons why people choose to use Equity Release. There are no restrictions on what you can use the money for. Here are the most common uses our clients have spent their money on:

- Repaying an existing mortgage and settling outstanding debt.
- Home improvements, a new car, caravan or holiday home.
- Improving your standard of living.
- Gift of early inheritance.
- Generating additional income.
- Deposit funds towards house purchase for a family member.
- Funding home care services.

About us

Mortgage Experience offer advice on helping people release money from their homes, so we have a great deal of knowledge and experience with this form of lending.

Our decades of combined experience in providing the best customer outcomes for our clients means you can be totally confident you are in safe hands from the moment you pick up the phone. We have been working together for over 20 years and offer a nationwide service, catering to home owners throughout the UK.

We are genuinely committed to providing individual retirement solutions to meet your needs, aspirations and circumstances and always strive to exceed your expectations. Our aim is to become the natural choice for those seeking financial security in their retirement.



“YOU CAN PUT
YOUR TRUST IN
MORTGAGE
EXPERIENCE”

Call us on 01257 226654

The Equity Release Council

Mortgage Experience are members of The Equity Release Council (formerly Safe Home Income Plans or SHIP) and we only recommend providers who are also members.

The aim of the Council is to protect you, the customer. It also works to increase financial knowledge to help you make informed decisions.

At Mortgage Experience, we share the principles of the Equity Release Council:

- **Act at all times in utmost good faith.**
- **Always act in the best interests of the client, treating them fairly in all actions.**



All members of the Council also provide these Essential Guarantees to all customers:

- For lifetime mortgages, interest rates must be fixed or, if they are variable, there must be a "cap" (upper limit) which is fixed for the life of the loan.
- You must have the right to remain in your property for life or until you need to move into long-term care, provided the property remains your main residence and you abide by the terms and conditions of your contract.
- You have the right to move to another property subject to the new property being acceptable to your product provider as continuing security for your equity release loan.
- The product must have a "no negative equity guarantee". This means that when your property is sold, and agents' and solicitors' fees have been paid, even if the amount left is not enough to repay the outstanding loan to your provider, neither you nor your estate will be liable to pay any more.

Making the most of your home

Your home is probably worth a lot more now than it was when you bought it. After working to repay a mortgage, you own what could be your biggest financial asset.

Now you can make this asset work for you by using it to give you a cash lump sum or an income or a combination of both.

Making retirement as enjoyable and secure as possible is most people's goal; however, finding the best way to achieve this is often confusing and daunting.

This Guide aims to give you enough information to decide whether equity release could be right for you and to guide you through the process. Mortgage Experience offers specialist and personalised equity release advice to help you make the most of your retirement without having to move house, either now or in the future.

(After reading this guide you will probably have lots of questions, so it's a good idea to meet one of our experienced advisers in person or you can arrange to discuss any part of this guide by calling us on **01257 226654**)



What are the options?

Once you have decided that using your property is the best option for you, you will need to choose the right scheme. This will depend on many factors including your age and health, the type of property you own and how much capital you want to release. It's therefore important to seek expert advice before making any decision.

Please turn the page to read the benefits and considerations.



Lifetime Mortgage

A lifetime mortgage means you take out a loan against the value of your home. The lender will provide you with a lump sum, monthly income, or a combination of both. No repayments are made in most cases.

The case may be that some lifetime mortgage providers will allow you to take capital in stages from cash reserve. The benefit of this is that the interest payable builds up at a much slower rate, due to interest only becoming payable when you take the capital.

Although there is no guarantee that property values will rise in future, any rises in property value will offset the effect of the rolled up interest on the loan.

Benefits	Considerations
You will have a lump sum or regular income to spend as you wish, without making any interest payments until the scheme ends.	The loan debt will accumulate. The younger you are when you borrow the money, the greater the potential debt due to greater life expectancy.
You still own your home.	The value of your estate is reduced, leaving less for your beneficiaries.
The plans are available to borrowers as young as 55.	You have no control over the roll up of interest.
You don't have to make a monthly payment.	Further loans may not be possible.
You can still move home if you wish, subject to a suitable property.	There may be early repayment charges,
You can choose to safeguard a percentage of your home's value to leave as an inheritance.	Capital or income resulting from a lifetime mortgage may affect your eligibility to state benefits.

This is a lifetime mortgage. To understand the features and risks, ask for a personalised illustration.

Equity Release includes Lifetime Mortgages and Home Reversion Schemes. We can advise and arrange Lifetime Mortgages and will refer to an approved specialist for Home Reversion schemes.

**Call for more information or to speak to one of our
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Equity Release FAQ's – “Is it right for me?”

What will it cost to set up the plan?

We will never charge you for your initial enquiry or consultation, so it will never cost you to find out if equity release is right for you. A fee is only ever payable on completion of a suitable scheme. This fee is typically £1295. There may be a provider's arrangement fee. You will also be liable for the cost of valuing your property and your own legal fees. In some cases, you may also have to pay the provider's legal costs or you may receive a refund of your valuation fee on completion. The provider will also require you to maintain buildings insurance on your property for the duration of the plan.

Can I move home?

All Equity Release Council members will allow you the freedom to move to a suitable alternative property. You must, of course, inform the provider before doing so. At the time of the move, you may repay the loan and interest in full, or alternatively, you may be eligible to transfer the plan to your new property if it meets the provider's criteria at the time. You should check with the provider for any restrictions before moving as penalties may apply.

Will I be responsible for maintaining the property?

Yes, you will be responsible for maintaining the property in at least as good a condition as it was when the plan was taken out.

What happens on my death?

With a lifetime mortgage, on your death (or on second death for joint plans) the loan and interest are due to be repaid. This would normally be done by the administrators of your estate selling the property and repaying the loan and interest from the proceeds.

Can I end the plan early?

If your situation changes, you may wish to repay your lifetime mortgage plan early. You should however, remember that these plans are intended to be long term plans and therefore, the provider may charge an early repayment fee.

Will this affect my pension?

Taking out an Equity Release Plan won't affect your State Pension or any personal pensions.

What about State benefits?

Equity Release may affect means tested benefits. Our advisers will make you aware if this is the case. We would however suggest that you take expert advice before entering into an Equity Release Scheme.

What about tax?

Under current legislation, any cash sum drawn will not attract Income Tax or Capital Gains Tax.

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Why should I tell my family?

By using your property to improve your retirement, you will reduce the value of your estate on your death. We therefore strongly recommend that, unless there are exceptional circumstances, you discuss your intentions with your family before taking this big decision.

Should I take legal advice?

Yes, you should appoint your own independent solicitor who will act on your behalf throughout and ensure that you fully understand the process at every step. We can refer you to a specialist independent solicitor if you wish.

Does eligibility for the plan depend on my income or health?**Will I need to take a medical?**

Neither your income nor state of health has any bearing on your eligibility for a plan. However, if you are in poor health, you may be eligible for enhanced terms.

Could I lose my home?

All Equity Release Council Members have a no negative equity guarantee and, providing you do not break the terms of the agreement, a no repossession guarantee.

Is all Equity Release regulated by the Financial Conduct Authority?

Yes, Lifetime Mortgages and Home Reversion Schemes are both regulated by the Financial Conduct Authority.

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What to do next

1

Firstly, consider all the aspects of Equity Release and decide whether it is an option that you wish to pursue further. Talk to your family and see how they feel about it. Most children want a fulfilling retirement for their parents but it is sensible to try and ensure everyone affected is happy with the choice you have made.

2

Make an appointment with one of our experienced advisers. They will look at your overall financial situation and recommend the best option for you.

3

If you are happy that the product meets your requirements, you should appoint a solicitor and complete the application form.

4

Independent valuation of your property will be carried out.

5

Your solicitor will ensure and confirm you fully understand the terms of the plan.

6

The money will be paid to you via your solicitor and you can start enjoying your well-deserved retirement!

To understand the features and risks, ask for a personalised illustration.

Mortgage Experience Limited are an appointed representative of HL Partnership Limited, which is authorised and regulated by the Financial Conduct Authority.

Mortgage Experience Ltd is registered in England and Wales. Company No. 10428355.

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