

An Introduction to



Lifetime Mortgages

An Introduction to your options

What is a Lifetime Mortgage/Equity Release?

This is a type of mortgage whereby you release funds from your property in the form of equity. It's targeted at homeowners over the age of 55 who might find it difficult to obtain a standard mortgage, whether that's due to age, income, etc. Unlike a standard mortgage, you don't have to pay monthly repayments if not affordable to you and the interest will then be 'rolled-up'. However, we will guide you on the best way forward. When you pass away or enter long term care, any outstanding debt to the lender will be repaid via sale of the property, and the remaining funds will be passed to your beneficiaries.

Lump Sum Product

- ✓ One single upfront amount
- ✓ The rate is usually slightly lower for lump sum products but this means you will incur additional fees should you require further funds in the future

VS

Drawdown Product

- ✓ The upfront amount and a facility to access further funds in the future without having to submit a further advance application or obtain new advice
- ✓ May be a higher rate of interest but can give you peace of mind should you require further funds in the future



What can you use the funds for?



Gifting to Family
or Friends



Repaying a
Mortgage



Care Needs



Home
Improvements



Purchasing
a Property



To enjoy
Retirement



Extending a
Lease



Managing bills
& debts

We are Members of the Equity Release Council

The Council is a voluntary body which aims to ensure that its members act with integrity and transparency in offering high-quality products and services to clients. The Standards Committee is incorporated as part of the Equity Release Council and exists to ensure that all products are safe and reliable for consumers.

To ensure standards are met, they have the following 'rules' in place for members:



1 The interest rate for a Lifetime Mortgage (commonly known as Equity Release) must be fixed for life, for each release of funds.

You have the right to remain in your property for life or until you move into long-term care - provided your property remains your main residence and you don't breach your contract.

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3 You have the right to 'port' your Lifetime Mortgage to another property, should you wish to move home, as long as it meets your lender's criteria.

Any recommended product comes with a 'No-Negative Equity Guarantee', even if you owe more than what your property is worth you will be allowed to remain in your property. .

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5 Any recommended product must come with the right to make penalty free payments, subject to the criteria set by the mortgage lender.

The Equity Release Journey Explained

Start of process

Initial Meeting

Here we explain the process and go through our compliance documents, answer any questions you may have, discuss your requirements and complete your fact find.

Conduct the Research

Following the initial meeting we will conduct the research to see what options are available to you, depending on your requirements.

Second Meeting

We will present the research to you and then give you time to come to a decision.

Submit Application

Once you have decided you wish to go ahead, we will then submit your application within 24 business hours.

Instruct Solicitors

After submitting your application, we will instruct solicitors and you will receive their initial paperwork in due course.

Engagement Fee of £195

You will receive an invoice from us which will be £195 – this is our 'engagement fee' as discussed in the initial meeting and disclosed in our fee agreement.

Valuation Booked

You should expect a call from the surveyors as they will need to book in an appointment to visit your property to complete a valuation assessment.



End of process

Completion

Once completion takes place, you should receive your funds within a couple of days. The solicitor fees and our outstanding fees will be deducted from the equity release funds.

Final call from Solicitors

The solicitors will call you the day before completion to check the final figures with you and ensure you are happy to proceed.

Completion Date Requested

Once the solicitors have everything they need, they will send this to the solicitors acting for the lender and request a completion date. They usually come back within 7-10 business days with a suggested completion date, provided the lender doesn't request further information.

'Signing Appointment' with Solicitors

You should expect a call from your appointed solicitors. They will need to book in a 'signing appointment' with you to ensure you understand the transaction you're undertaking.

Solicitors start legal work

Once the solicitors receive their copy of the offer, they will progress the legal process.

Offer Issued

Provided the lender is satisfied with the information they have; they will then issue an 'offer'.

Application Assessed

The lenders will assess the application along with the valuation. They may ask for more information or documents from us at this stage



Equity Release Myth Buster



"I won't own my home anymore"



"I'll end up paying more than the value of my home - my children will inherit the debt"



"I won't be able to move house"



"I already have an outstanding mortgage - I can't release equity"



"I'll have to make monthly repayments with a lifetime mortgage"



"Equity Release is just a last resort for people desperate for money"



Having a lifetime mortgage does not mean you are selling your home to the lender. It's simply a loan secured against your property that will be repaid when you die or move into long term care.



Lifetime mortgages are protected by the Equity Release Council's "no-negative equity guarantee", meaning even if your borrowing is more than the value of your property, your estate is not liable for the debt.



You can transfer the lifetime mortgage to a new property, providing the property is suitable and the lender's criteria is met.



Even if you have an outstanding residential mortgage, you can still release equity - providing you use the lifetime mortgage to repay the mortgage first. This is dependant on the equity available and the conditions of the mortgage.



Most products offer the option to pay interest, or make overpayments. You're not obliged to make payments, but we can assess this as part of our advice process. You may prefer to allow the interest to roll up and be repaid on a life event.



People say they have or would take out a lifetime mortgage for many reasons. More than a third use the money to refurbish and improve their home. Many clients take out money to gift to their children, whether this be for a house deposit or a wedding, etc.

FACT

FAKE!



Testimonials and Awards



"The release of equity has been a relief for me, as my life was difficult due to the stress caused by my earlier stroke and the unhappy severe financial predicament I placed myself under. It is mainly down to you I have restored my 'love of life'"



"Exemplary customer care and impressive determination in dealing with problems and obstacles. Also willing to undertake the longhaul"



"We approached Sandy at Acclaimed Mortgage Consultancy about equity release, who was very professional. Amber was a contact for us and she kept us up to date regularly. We have no hesitation in recommending Acclaimed Mortgage Consultancy."



- We have access to products across the whole of the market
- We have been a member of the Equity Release Council since 2012
- We have won 'Best Adviser' on four separate occasions at the Equity Release Awards
- Since our last award in 2019, Sandy has become a judge for the Equity Release Awards
- We have over 300 five-star reviews across multiple platforms



Other services we offer at Acclaimed

- First Time Buyer Mortgages
- Home Mover Mortgages
- Remortgages
- Buy-to-Let Mortgages
- Life Insurance
- Critical Illness Cover
- Income Protection



Scan the QR Code to follow our social media pages



Home Reversion and Lifetime Mortgages are complex products. To understand the features and risks ask for a personalised illustration