

# A Step By Step Guide to Lifetime Mortgages

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



**A Lifetime Mortgage is a popular type of Equity Release. It is a long term loan that is secured onto your property.**

The amount you can borrow depends on things such as your age and the value of your property.



**You can decide between Monthly Interest Payments and Roll-Up interest payments.**

The loan and the interest can be 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.



## 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 a minimum value depending on the provider, with little or no mortgage outstanding. Any outstanding mortgage on the property will need to be repaid before you apply for a Lifetime Mortgage, or from the money you release.



## 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 benefit you may receive.



## 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 of these with your adviser.



## Get the family involved.

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.

Arrange a second meeting with your advisor. 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. It will also allow you to talk through the next steps - what will happen at the valuation stage & where the solicitors will fit into the process.



## Application time.

Your adviser will help you with the application and arrange an independent valuation of your home. You may have to pay for this upfront.



## Valuation & survey work.

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 either before your loan can be completed, or as a condition of your loan.



## Talk to a solicitor.

Accepting an ER offer is a contractual agreement, so you need to discuss it with a solicitor. Your adviser can help arrange this. The time taken by solicitors can vary, there are a number of factors that can influence it, such as how quickly you require your money, how familiar they are with Lifetime Mortgages, and whether there are issues that need to be resolved. You are responsible for paying your own legal fees.



## Your money arrives!

**The moment you've been waiting for!**

Money is paid to your solicitor on completion. If there are any charges to be paid, including any fees or debts secured against the property, these will be settled first.

The remaining funds are then usually then transferred to your bank account tax free.



## A follow-up meeting.

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 power of attorney.