



QUICK GUIDE TO LIFETIME MORTGAGES By Lifetime Mortgage Expert, Chris Morgan FPC, CeMAP, CeRER

Lifetime Mortgages, Retirement Mortgages and Regulated Equity Release for over 55's have grown massively over the last 20 years. It is very true that the initial products that were released into the market received poor press and were not popular. However, in more recent times these products have become highly regulated, with product providers having to meet industry standards and provide certain assurances and guarantees over negative equity – we think this is a very good thing.

Financial Advisers also have to pass a higher level qualification to be able to arrange Lifetime Mortgages, Retirement Mortgages and Regulated Equity Release. However, we have noticed that consumers have been left with a difficult choice between “chicken farm” financial advice by companies offering these products in huge volume, or local financial advisers who rarely are asked for advice in this area.

Your alternative is to approach Chris Morgan, the UK's leading Lifetime Mortgage Expert, who specialises in mortgage products for people over 55 without charging a broker fee*. This is Chris's quick guide to “Regulated Equity Release”, which will be of use to anyone considering taking out any of the mortgage products intended for people over 55. Chris is always happy to answer any questions you may have in a free initial consultation.

Mortgage Types

What are the different types of mortgages available to over 55's? All of these options are repaid from the sale of your home, when the last borrower passes on, or moves out of your home into long-term care.

- Lifetime Mortgage – Option mostly recommended by Unusual Mortgages
 - * Lump Sum Withdrawal? Yes, immediate tax free lump sum available
 - * Cash Reserve Withdrawals? Yes, regular tax free withdrawals can also be available
 - * Regular Payments? No, Interest Rolls up on mortgage balance
 - * Interest Roll Up? Yes, added to mortgage balance
 - * Proof of Retirement Income? No, proof of pension income not needed
 - * Retain Ownership of Property? Yes, loan secured against property that remains in your name
- Retirement Mortgage – Only recommended to those with sufficient pension income
 - * Lump Sum Withdrawal? Yes, immediate tax free lump sum available
 - * Cash Reserve Withdrawals? Yes, regular tax free withdrawals can also be available
 - * Regular Payments? Yes, Interest is normally paid monthly
 - * Interest Roll Up? No, regular monthly payments made
 - * Proof of Retirement Income? Yes, proof of pension income is needed
 - * Retain Ownership of Property? Yes, loan secured against property that remains in your name
- Reversion Plan – Not normally recommended by Unusual Mortgages
 - * Lump Sum Withdrawal? Yes, immediate tax free lump sum available
 - * Cash Reserve Withdrawals? Yes, regular tax free withdrawals can also be available
 - * Regular Payments? No, Lender takes a share in property
 - * Interest Roll Up? No, Lender takes a share in property
 - * Proof of Retirement Income? No, proof of pension income not needed
 - * Retain Ownership of Property? No, loan secured against property with you as life tenant



Which products and providers are best?

Lifetime Mortgages, Retirement Mortgages and Reversion Plans are only available through qualified financial advisers with the Certificate of Regulated Equity Release. Unusual Mortgages research the whole of the Lifetime Mortgage market for every client, we look at the products manually and we also use electronic sourcing software.

There are literally hundreds of different variations of products that we could recommend, so it's impossible to be more specific in this Quick Guide, but we are always available to discuss your specific requirements without any obligation.

What are the costs involved with taking a Lifetime Mortgage, Retirement Mortgage, Reversion Plan

- Valuation Fee? No, this is normally free with most product providers
- Product Fee? Yes, most providers have a product fee that you can either pay up front, or add to the mortgage, this can vary but is commonly around £600
- Interest Rate? Yes, your mortgage will incur interest, in our opinion this is the most important decision we will assist you with when choosing a product
- Redemption Penalties? Yes, the majority of products have redemption penalties, as they are intended to be long term arrangements
- Broker Fee?, No, did we mention we do not charge a broker fee on any capital withdrawal £50,000 and above, this means you are likely to save on average £1210* if we arrange your mortgage. The maximum fee we have seen financial advisers charge on a lifetime mortgage by a broker is £2395*

How much Equity can I release from my property

This can vary enormously between product providers and it's not always best to focus on those offering you the most money. Depending on your requirements and overall needs, Unusual Mortgages are very good at finding the very best interest rate for your mortgage.

We like to recommend a balanced approach between capital withdrawal, cash reserve and competitive interest rate, this it is why it's important to get qualified advice when deciding the most appropriate amount of Equity to release. From submitting an application form it normally takes between 6 to 8 weeks to receive the funds.

Common uses for funds – (There are no restrictions on the use of Lifetime Mortgage Funds)

- Buy a second or holiday Home
- Change Car or buy a Second vehicle (motorhome or caravan)
- Help a family member to buy property
- Holiday and Travel Funding
- Home or Garden Improvements
- Private Healthcare Costs
- Repay Existing Outstanding Mortgage
- Repay unsecured debts (Credit Cards and Loans)
- Supplement your pension income and improve standard of living

LIFETIME MORTGAGE EXPERT

By Unusual Mortgages



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Examples where we have arranged Lifetime Mortgages with “Qualified Advice, Zero Broker Fee**”

REPAY INTEREST ONLY MORTGAGE - Existing Clients John (55) and Marcus (62)

John and Marcus were worried about their Interest Only mortgage which still was outstanding on their property valued at £900,000. We helped them draw £100,000 on a Lifetime Mortgage to clear their £76,000 mortgage, so they could remain in their property and have a cash reserve to use as they choose.

CAPITAL WITHDRAWAL and CASH RESERVE – James (45) his parents, both aged (68)

James’s parents wanted to draw some Equity so they could stay in their property, which would allow them to remain close to their existing family and friends. We arranged a £150,000 capital withdrawal and £150,000 cash reserve at a very competitive interest rate, which reduced any initial concerns about leaving money to James.

REPAY INTEREST ONLY MORTGAGE and LUMP SUM WITHDRAWAL - Eric (67)

Eric wanted to finish his mortgage and withdraw the maximum amount he could from his property while he is able to still enjoy travelling and make the most of the funds. We arranged a £500,000 Equity release, which cleared an outstanding Interest Only mortgage and made available £250,000 to use as he chooses.

BUY A NEW HOME and MAXIMISE PROPERTY ASSETS - Geoff (68) and Margaret (66)

Geoff and Margaret wanted to make their final house move, releasing Equity in the process. What they didn’t realise until they spoke to us is that a Lifetime Mortgage can also be used to purchase a new property. So, we arranged for them a £150,000 Lifetime Mortgage, which allowed them to withdraw equity from their new property, without having to make any monthly payments.

“Qualified Advice, Zero Broker Fee**” – Explained

***Note** We currently do not charge a broker fee for Lifetime Mortgages with an initial withdrawal of £50,000 or more, we will however receive commission from the lender on completion of your mortgage. Lifetime Mortgages, Retirement Mortgages and Reversion Plans are strictly regulated. This is the reason financial advisers need a higher level qualification to arrange these products.

Our opinion is why would you try to arrange this yourself directly with a product provider, if there’s a service available to you without paying any broker fee? In fact, why would you pay any broker fee, if there was a qualified adviser who offered the service at Zero Broker Fee? The average capital withdrawal across the UK is £96,515*, which means the majority of applicants would qualify for our “Qualified Advice, Zero Broker Fee**” offer.

If you would like to discuss your individual requirements without obligation give Chris Morgan a call on 0845 474 3075 or contact us by email at enquiries@lifetimemortgage.expert

You can read Chris Morgan’s career biography at www.lifetimemortgage.expert his latest blog articles can be read at www.lifetime-mortgage.expert

***Lifetime Mortgage Expert is a trading style of Unusual Mortgages who are authorised and regulated by The Financial Conduct Authority. £1210 is the average amount that would have been charged by a financial adviser in the “Lifetime Mortgage Survey 2019” and highest amount charged by a financial adviser was £2395. £96,515 is the average lump sum withdrawn by the consumer in the quarter 4 of 2018, according to the Equity Release Council’s Spring 2019 report.**

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