



With Equity Release you can use some of the money tied up in your home to get a tax-free lump sum through a Lifetime Mortgage. You can spend this on whatever you like. Used wisely, it can help create a more comfortable retirement for you and your family. Lifetime Mortgages have changed significantly over the years. Despite this, there are still myths that need dispelling.



Please contact James, our Equity Release Specialist for further information.

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## If you think Lifetime Mortgages are best avoided, it's time to think again. Equity Release Myth Busters

**1 It's expensive.** There is no longer much of a gap between Lifetime Mortgage interest rates and those of typical 5 year fixed residential rates. We do not charge a fee.

**2 You'll have to stay in the same property for the rest of your life.** With most Lifetime Mortgages, you're able to move home and transfer your lifetime mortgage to the new property providing it meets the lender's terms and criteria. A partial repayment may be required.

**3 You'll leave debt to your family and loved ones** Providing the terms and conditions are met, no debt is left to your estate and you'll never owe more than the value of your home once sold upon death or permanently moving into long term care.

**4 Equity can't be released if there's an outstanding mortgage.** You can apply for a Lifetime Mortgage providing you pay off your existing mortgage balance. This can be done either through the equity you release or through your savings.

**5 It's not possible to reduce the outstanding debt.** There are products that offer you the option to make partial repayments with no early repayment charges. The amount that can be repaid is usually up to a fixed amount each year or you can choose to pay the interest. Some products also offer fixed early repayment charges that apply for a

set time period, so any repayments after this won't have a charge.

**6 You won't be able to leave your property as an inheritance.** A Lifetime Mortgage is designed to be repaid by selling the property after you move into permanent long-term care or pass away. Once the loan has been repaid, all money left over can go to your beneficiaries.

**7 It's unsafe and unregulated.** Lifetime Mortgages are regulated by the FCA. Also, the Equity Release Council (ERC) was established in 2012 to provide consumer protection specifically for this market. Members must adhere to its standards of conduct and practice.

**8 You'll lose ownership and control of the property.** With Lifetime Mortgages, you'll be the owner of your home for as long as you want to live there, providing you meet the conditions of the Lifetime Mortgage.

### Remember...

**A Lifetime Mortgage will reduce the value of your estate**

**A Lifetime Mortgage may affect your entitlement to state benefits**

**Consolidating other debts could cost you more in the long term**

