



# Lifetime Mortgage *Guide.*

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**This Brochure** is provided to give you an overview of our products and services to give you direction on how Lifetime Mortgages work.

## **An introduction to Responsible Lending.**

### **Who are we?**

We are a later life lending specialist who provide flexible Lifetime Mortgages. In short, a Lifetime Mortgage allows you to release equity from the value of your property. For many homeowners, your property may be your most valuable asset and a Lifetime Mortgage allows you to tap into it, releasing a tax-free sum to spend however you want.

### **What we've done.**

We have designed our Lifetime Mortgages with you in mind. We understand how important it is to have financial security and peace of mind, particularly in retirement. Our range of Lifetime Mortgages are designed to be as flexible as possible to ensure that you get the most out of your property.

### **What we can do.**

Are you concerned about your future finances and pension pot? Struggling with debt or high monthly outgoings? Perhaps having to dip into savings to enjoy the quality of life you want? By combining competitive interest rates, transparent terms and conditions, fixed interest rates and repayment charges, we are providing a solution to these concerns.



### **Our offering.**

Our team will always be on hand to help you and your family approach equity release as comfortably as possible. Our business is regulated by the Financial Conduct Authority, and we are also proud members of the Equity Release Council, the industry body for equity release.

**In an ever-changing world, our customers are crying out for flexibility.**

“We’re extremely pleased to present our range of Lifetime Mortgages. Our understanding of what customers want in this market is unrivalled.

We’ve listened to our customers and designed a range of products that meet their needs both today and over the lifetime of their plan. In an ever-changing world, our customers are crying out for flexibility.

We’ll continue to work tirelessly to develop new products and features that serve our customers.”

**Keith Haggart**  
Chief Executive Officer



## How can equity release *help you?* \*

- \* The amount you can borrow will **depend on your age and property value**, (see page 7 for more information about eligibility criteria) and the funds can be used for a variety of reasons. Some of the most common reasons for a Lifetime Mortgage include:

### **Boosting your disposable income.**

Enjoy the flexibility in your lifestyle from your equity release. From taking luxury holidays, making large purchases, or to simply enjoy life with your monthly income supplemented to a more comfortable figure.

### **Clearing an existing mortgage.**

Clearing existing mortgages and debt could enable you to free up your monthly spending and live a more comfortable retirement.

### **Looking after your home.**

As you retain the right to live in the property for life, or until moving into long-term care, a Lifetime Mortgage provides you with a great source of funds to complete those long-planned home improvements, or adding the extension that you always wanted.

### **Gifting an early inheritance.**

Providing funds to allow loved ones to get on the property ladder, or simply allow them to enjoy the funds in their own way. There is nothing better than seeing your loved ones enjoy their inheritance.

A Lifetime Mortgage **will reduce the value of your estate** and may affect your entitlement to means-tested state benefits.

## Our product offering.

We provide four distinct product options, carefully tailored to provide you with the financial solutions you need.

### Lump Sum.

Our Lump Sum Lifetime Mortgage allows you to release a one-off tax-free cash sum to spend how you want.

This is a great option if you want to access funds immediately and do not need to access additional funds.

### Fee Paid.

Our Fee Paid products are available as both a Drawdown or a Lump Sum. For an initial £500 application fee, you'll secure a lower rate both on the initial release and any further Drawdown you take.

### Drawdown.

Our **Drawdown** Lifetime Mortgage allows you to release a smaller initial lump sum and hold the rest of the funds in reserve.

This provides greater flexibility and ensures that the interest does not roll up on the unused funds until they are withdrawn.

### Premier.

Our premier range is best suited for high property values and high releases. Our products are available as Lump Sum and Drawdowns, subject to the criteria below:

- Minimum Loan: **£100,000.**
- Maximum Loan: **£2,000,000.**
- Minimum property value of: **£2,000,001.**
- There is no maximum value and properties are considered on a **case-by-case basis.**

### Boasting flexibly-built products.

Our products have a number of features, providing great options and services. Some of which include but are not limited to:

- **Securing lower rates.**
- **Fixed and defined early repayment charges.**
- **Partial repayments.**

### The amount you can release will be based on a few factors:

- **Your age.**  
(On a joint application, the youngest age will apply)
- **The property value.**
- **The type of product** you choose.

For flats and maisonettes, the release amount will be calculated on 85% of the properties value.

### To be eligible for our range of Lifetime Mortgages, you must meet the following criteria:

You must **own a property** in England (including the Isle of Wight), Wales or mainland Scotland.

This property must be your **main residence**. We do not lend on second homes or buy to let properties.

You must **be at least 55 years old** and up to 84 years and 6 months (we can accept joint applications for homeowners over this age, providing the youngest applicant meets this criteria).

Your property must be worth **at least £125,000** (£150,000 if an ex-local authority property).

You are looking to borrow a minimum of £10,000 on our Standard products or £100,000 on our Premier products.



## Our product offering.

The below table will provide you with a rough indication of what you might be able to release. The release data is constrained by your age and property value.

### Standard products table.

Our standard products include our Lump Sum, Drawdown and Fee Paid plans.

#### Age v. Property Value.

	£150,000	£250,000	£350,000	£450,000	£555,000
55	£33,750	£56,250	£78,750	£101,250	£124,875
60	£43,500	£72,500	£101,500	£130,500	£160,950
65	£54,000	£90,000	£126,000	£162,000	£199,800
70	£61,500	£102,500	£143,500	£184,500	£227,550
75	£70,500	£117,500	£164,500	£211,500	£260,850
80	£77,250	£128,750	£180,250	£231,750	£285,825

### Premier products table.

Our Premier products include our Lump Sum, Drawdown and Fee Paid plans.

#### Age v. Property Value.

	£2,000,001	£3,500,000	£4,000,000	£4,500,000	£5,000,000
55	£220,000	£385,000	£440,000	£495,000	£550,000
60	£340,000	£595,000	£680,000	£765,000	£850,000
65	£450,000	£787,500	£900,000	£1,012,500	£1,125,000
70	£580,000	£1,015,000	£1,160,000	£1,305,000	£1,450,000
75	£660,000	£1,155,000	£1,320,000	£1,485,000	£1,650,000
80	£740,000	£1,295,000	£1,480,000	£1,665,000	£1,850,000

## Case study.

### *Mr and Mrs Jones released £35,430 to settle an interest-only mortgage.*

Nearing the end of term for their current interest only mortgage, and concerned about repaying the capital sum, Mr and Mrs Jones approached an independent financial adviser to discuss the various options available to them. They saw a Lifetime Mortgage with Responsible Lending as their best solution, not only to pay off the outstanding mortgage, but also to fund some long-planned home improvements.

With no proof of affordability required, and no obligation to make monthly payments, Mr and Mrs Jones were able to have peace of mind in retirement with their mortgage settled and the right to remain in the property for life or until moving into long-term care.

With the drawdown feature, Mr and Mrs Jones were able to keep £6,000 in reserve for their planned home improvements. This provided them with the flexibility to complete the home improvements at their convenience, without accruing interest on this amount until the funds were released.

*Please note, for the privacy of our customers we have changed the names of the customers in all of our case studies.*



## Frequently asked questions.

### Can I apply if I have an outstanding mortgage on my home?

It is a condition of our Lifetime Mortgages that any outstanding mortgage is repaid. However, the equity you release can be used for this purpose and it is one of the most common reasons people unlock wealth from their homes. Bear in mind that this will reduce the amount available to you but may save you money every month on mortgage payments, which can be then put to other uses.

### What happens if I want to move home in the future?

It makes sense to look for flexibility in equity release plans. With all of our plans you are able to move home and take the plan with you to the new home, subject to property and underwriting criteria.

Alternatively, you can repay the plan but this may be subject to an Early Repayment Charge. As with normal mortgages you should also expect to pay the cost of buying and selling your home.

### Where does the money you lend come from?

We work with Rothesay Life who were established in 2007 and have quickly become one of the leading providers of regulated insurance solutions in the UK. Rothesay Life has assets under management of £60 billion and insures the pensions of over 800,000 individuals. Rothesay Life funds our Lifetime Mortgages. Between our funders and us, you are in safe hands.

### Who is eligible for your equity release plans?

Typically homeowners aged 55 and over may be eligible for Lifetime Mortgages. You must own your own home and it must be worth at least £125,000.

You may not be eligible for equity release if you own a leasehold property with less than 100 years before the lease expires unless extra years can be purchased. Freehold flats and maisonettes or registered smallholdings also may not qualify. Speak to your financial adviser to find out if you qualify for a Responsible Lending Lifetime Mortgage.

### What happens when I die?

The sum outstanding from the equity release plan will usually be repaid from the sale proceeds of your property and the remainder goes to your estate. Where your representatives, such as children or other beneficiaries of your estate have not sold the home typically within 12 months of your death, equity release plan providers may reserve the right to become more involved in the sale of the property and deduct the costs of the sale from the amount due to your estate.

Members of your family are welcome to clear the balance of the equity release through other means, such as a mortgage, so they keep the property in the family.

### Got a question you would like to ask?

Feel welcome to email our Customer Support Team at:  
[customer.support@responsiblelending.co.uk](mailto:customer.support@responsiblelending.co.uk).



## The customer journey.

### 1. Advice and recommendation.

Equity release is a lifelong commitment, so it is important that you receive expert financial advice. Your initial consultation will involve you discussing your situation, your finances, and what your hopes are for your equity release product. You will then be provided with a recommendation personalised to your individual needs.

### 2. Illustration and application.

If your equity release adviser deems a Responsible Lending product to be suitable for your needs, they will then provide you with a Key Facts Illustration. The Illustration will explain the full terms and detail how your interest will roll up over the lifetime of the mortgage. Once you are happy with the recommendation, you can progress to a full application.

### 3. Valuation report.

Upon receipt of your application, we will immediately instruct a local surveyor to contact you to arrange a mutually beneficial time to conduct a valuation of your property.

Once the valuation has been completed, they will send the report to us for assessment.

### 4. Offer and completion.

Once all our checks have been completed, we will prepare and send out your Lifetime Mortgage offer. We will instruct our solicitors who in turn will work with your nominated solicitors towards completion. Your solicitors will guide you through this process and will set an appointment date for you to sign all the relevant documentation required.

We will release funds to you via your solicitor who will deposit your release into your nominated bank account. Following this, you will receive a welcome pack which provides you with the details of your Lifetime Mortgage as well as information on how to contact the Customer Services Team.

