



Exclusive provider of Royal London Equity Release products



Further Information about your *Lifetime Mortgage*

Thank you for choosing Responsible Lending as your equity release provider. In this handy guide, you will find all the information you will need to stay fully informed about your Lifetime Mortgage.

Responsible Lending Letter Dictionary

Your letter

When will you receive this?

Why have we sent this to you?

Annual Statement

Once a year, on the anniversary of your loan completion.

Your annual statement is an overview of your outstanding balance, including interest roll-up and any repayments you have made. It will also contain key information about your available Drawdown Facility, if applicable, with information of how to apply for any additional funds.

Your Annual Statement lets you know how the Flexible Repayment Option works, should you wish to make payments back to us to reduce the impact of compounding interest.

Your letter

When will you receive this?

Why have we sent this to you?

Certificate of Continued Occupancy

Once a year. You will receive this at the same time as your Annual Statement.

The form asks you to confirm that you are still living in the property and if anyone else is living there with you. This form should be returned as soon possible. Please sign this form and send it back in a freepost envelope, or via email.

Your letter

Repayment Receipt

When will you receive this?

After your first payment.

Why have we sent this to you?

We will issue you with a repayment receipt after your first payment. Subsequent payments will be confirmed within your Annual Statement, which will confirm the dates when your payments were applied.

Your letter

Offer Condition Reminder

When will you receive this?

3-5 months after the completion of your Lifetime Mortgage, with potential future reminders if required.

Why have we sent this to you?

If you have any special conditions on the bottom of your Offer Document, it is likely we will require certain certificates or paperwork from you. This is typically after you have made structural changes to your property. If such Offer conditions apply to you, we will send a letter to remind you of this obligation.

Your letter

Drawdown Facility Reminder

When will you receive this?

18 months after the completion of your Lifetime Mortgage and once a year thereafter.

Why have we sent this to you?

We will write to remind you of your remaining Drawdown Facility, with information of how to apply for any additional funds, if applicable.

To help you understand the letters you may receive from us, we have put together a helpful guide. Some letters may require a response from you and others are simply to keep you informed.

Making *repayments*

One of the main features of your Lifetime Mortgage is the ability to make voluntary partial repayments without incurring any Early Repayment Charges.

The key details to remember are:

- You can make partial repayments of up to 10% of the total cash advanced within any 12-month period, starting from the date your loan completes, without incurring an Early Repayment Charge. If unused, the 10% partial repayment amount cannot be carried forward in whole or part to subsequent 12-month periods.
- You can make a maximum of 12 payments per year, with a minimum of £50 per payment.
- Any partial repayments over 10% of your loan amount within any 12-month period will be subject to Early Repayment Charges. Please see your mortgage offer for further details.
- Section 8 of your Lifetime Mortgage Offer shows how your interest would roll-up on a yearly basis. Any repayments made towards your Lifetime Mortgage account will reduce the roll-up of interest.
- Alternatively, you may choose to make a payment that is affordable to you. On the next page, you will find an example of how making a small payment can affect a Lifetime Mortgage balance over a 15-year period.



Please note: If you take out multiple loans with us, such as Drawdowns or Further Advances, you can inform us as to which tranche of borrowing you wish the repayment to be made by quoting the exact Mortgage Account Number as the payment reference. In the absence of any instruction from you, all repayments will be made against the oldest loan first.

Repayments are not required as part of your Lifetime Mortgage, as the balance along with interest and charges is typically repaid from the proceeds of the sale of the property. If you wish to find out further information regarding your ability to do so, please contact our Customer Service Team on 0330 124 3914 and select Option 4.

Our Customer Service Team will not be able to tell you how much to pay, but will be able to give you an up-to-date outstanding balance and an estimate of the current month's interest. The outstanding balance figure will be included in your annual statement.

Why making payments might be *important for you*

By making partial repayments to your Lifetime Mortgage, you can help to reduce the roll-up of interest. That means there will be more money left over when your property is sold.



If you started with a Loan Amount of **£80,000** on an interest rate of **5%** with a term of **15 years**

Your End of Term Balance with no repayment made would be **£169,096.26**

Your End of Term Balance after repaying **£100 per month** would be **£142,368.75**

The difference in interest roll up is **£26,727.51**, resulting in an overall saving of **£8,727.51**

This example is for illustrative purposes only. We recommend checking Section 8 of your Offer Document for your correct compound interest figures. If you want to check how much regular payments could reduce your final loan amount, please contact your Financial Adviser. Please note, repayments are voluntary and not required by your lender.



If you have a *Drawdown product...*

How can I apply for a Drawdown?

Please contact our Customer Service Team if you wish to apply for a Drawdown. Our team will help you through the next steps and are happy to answer any questions you may have. To apply, you must have a minimum amount of £2,000 available in your facility.

How do I find out my interest rate?

When you apply for a Drawdown, one of our specialists will process your application and a member of our team will book in a time to contact you within four working days. The interest rate is based on your total mortgage balance, including the interest roll-up, the value of your property, your age and the additional amount you wish to borrow.

Our team will book in a time to contact you, to confirm your interest rate and gain your agreement before we issue you with an offer. We may also reach out to your Financial Adviser to help support your application.

Why may this interest rate vary from my previous loan?

The interest rate could be higher or lower than the rate on the initial loan and is always offered on the prevailing rate at the time you apply for a Drawdown. Your initial loan will remain on a fixed rate and your Drawdown will also be subject to a fixed rate.

Does this mean I'll have more than one loan?

Each Drawdown will be classed as a unique borrowing and the interest will roll-up separately. Your Drawdown will have its own Early Repayment terms and will be included in any outstanding balance figures you receive.

How long will my application take to complete?

On average, your application should take around four weeks to complete, providing that all documentation has been received on time. The offer is valid for 42 days, so you may want to take a little more time. Our team will discuss the details on your initial call.



If you have a Drawdown product with us and wish to release funds, please contact our Customer Service Team.

Please note that a Drawdown is not guaranteed and is subject to both Lending Criteria and our Terms and Conditions. If you need additional funds but do not have a Drawdown product, or if you don't have any facility left, please contact your Financial Adviser to discuss the option of a further advance. Alternatively, you can speak with Customer Service. They will be able to help organise an appointment with a Financial Adviser.

Let's talk about *moving home*

With all of our Lifetime Mortgages, you have the right to move to a new property. If you choose to move home, you may be able to transfer your Lifetime Mortgage over to your new home, subject to Lending Criteria. Please contact our Customer Service Team via email at customer.support@responsiblelending.co.uk to discuss this further.

When do I need to tell you I want to move house?

The process of porting the Lifetime Mortgage can take up to 12 weeks from application to completion. This is usually due to solicitor's checks. We recommend that you inform us as soon as possible, so we have ample time to factor in any additional checks or searches that may be needed on the new property.

How do I apply to transfer my mortgage?

If you wish to move to a new property and transfer your Lifetime Mortgage, please contact our Customer Service Team, who will explain the next steps. Our team will arrange for the new property to be valued and review this in line with our Criteria at that time. If we deem the new property to be suitable, you can transfer your Lifetime Mortgage to this property without incurring Early Repayment Charges.

How much will it cost to transfer my mortgage?

An application fee of £500 will need to be paid when you return a completed application form. You will also be asked to pay for the valuation of your new property. The valuation fee will depend on the value of the property and we will confirm the amount at the time of application.

For a full list of our fees, please refer to our Tariff of Charges, included in this pack.

What happens if my new property is not acceptable?

If your new property does not meet our Lending Criteria and you would still like to move to that property, we will waive any Early Repayment Charges, assuming that your Lifetime Mortgage has been open for a period of at least five years. Otherwise, you will have to repay the amount you owe us and any applicable Early Repayment Charges. If you decide to select a different property, we will not charge you another application fee if you apply again within 6 months.

Will I have to pay back any part of my Lifetime Mortgage?

If you transfer your mortgage to a property of a lower value than your current property, you may need to repay part of the outstanding amount. This is to ensure that the loan to value on the new property matches that of the initial borrowing.

If you have any additional queries regarding moving property and transferring your Lifetime Mortgage, contact the Customer Service Team. You may also want to speak to your Financial Adviser to discuss any changes to your Lifetime Mortgage before you begin.

The Customer Service Team are dedicated to supporting you and are on hand to help with any questions you may have.

They are available to contact Monday to Friday between 9am and 5pm, excluding bank holidays.

 **0330 124 3914**

Select Option 2 for Drawdown support and Option 4 for any other enquiries.

 **customer.support@responsiblelending.co.uk**

 **Responsible Lending Ltd. P.O. Box 277,
Sheffield, S98 1RP**

Why is our postal address in Sheffield?

All incoming mail to Responsible Lending is handled by a professional mail company and sent to us in a digital format. This is the best and quickest way for us to receive your correspondence. It also ensures that your documents and certificates are kept safe and secure, so we can spend more of our time responding to you.



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