

MORTGAGES & EQUITY RELEASE FOR OVER 50s

A SLAIYBURN FINANCIAL
PLANNING GUIDE



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So, as someone over 50, what kind of mortgages are available to me?

Did you know that a mortgage can be used to release equity from your home which can be used to fund retirement activities such as travel, hobbies and even to purchase an overseas home.

Funds can also be released to cover things such as healthcare, care home fees, provide house deposits for your children or grandchildren and even to help cover a divorce settlement!

Standard and Later Life Residential Mortgages

These are the most common type of mortgage and are available to people of all ages. However, lenders will usually impose a maximum age limit for when the loan must be repaid. This can vary from lender to lender but is typically around 90 or 95.

Retirement Interest Only Mortgages (RIO's)

These mortgages have no defined term and are repaid on death or if you vacate the property into permanent residential care. You only need pay the interest each month which makes it more affordable than a traditional capital repayment mortgage.

Lifetime Mortgages

These mortgages are a Lifetime Plan and allow you to release some of the equity in your home in the form of a tax free lump sum. This can be a good way to supplement your lifestyle in retirement, but it is important to understand the risks involved.

Home Reversionary Plan*

A home reversion plan is a type of equity release that allows you to sell part of your home in exchange for a lump sum of cash or a regular income. You will still be able to live in your home for the rest of your life, and you will not have to pay any rent.

Payment Term Lifetime Mortgage

This is a lifetime mortgage where you only pay the monthly interest for a specified term after which the payments will cease, and the interest will be rolled up for the remainder of your lifetime.

*Not available via Slaiyburn Financial Planning



Am I eligible for an over 50s mortgage?

The eligibility criteria for certain mortgages for the over 50's will vary from lender to lender.

Some will have general criteria that you need to meet such as a good credit history, the affordability to meet monthly repayments and to be able to provide a deposit of at least 5% of the property value when buying a house.

Key factors to consider

When choosing a mortgage in retirement, there are a number of key factors to consider, such as:

Your income: How much income will you have in retirement? This will determine how much you can afford to borrow.

Your outgoings: What are your monthly outgoings? This will include things like your mortgage repayments, bills, and living expenses.

Your retirement plans: What are your plans for retirement? Do you want to travel, downsize, or care for elderly relatives? This will affect the type of mortgage you need.

What about costs and charges?

The costs involved in taking out a mortgage in retirement will vary depending on the type of mortgage you choose and the lender you use. However, you can expect to pay the following costs:

- **An arrangement fee:** This is a one-off fee charged by the lender to set up the mortgage.
- **An interest rate:** This is the rate of interest you will pay on your mortgage. This can be fixed term, variable, discounted or offset against your savings account.
- **Lender's fees:** These are the fees charged by the lender for things like valuation and legal fees.
- **Advice Fee:** This is the fee charged by your broker to set up the mortgage.
- **Legal fees:** To cover the legal work involved you will need a solicitor to act on your behalf.



Lifetime mortgages: Myth busting

Will I lose ownership of my home with a lifetime mortgage?

One common myth is that taking out a lifetime mortgage means losing ownership of your home. In reality, with a lifetime mortgage, you retain full ownership of your property. The loan is repaid when you pass away or move into long-term care, and the property is sold.

The interest on a lifetime mortgage will accumulate rapidly, leaving me with nothing.

While it's true that interest accrues on a lifetime mortgage, the rate of accumulation can vary. Most lifetime mortgages offer fixed interest rates for life, providing borrowers with more predictability. Additionally, responsible lending practices aim to prevent the debt from escalating uncontrollably and most products allow you to make repayments of interest or capital to reduce the impact of this.

Will I be left with a debt burden after my home is sold?

Thanks to the no negative equity guarantee, you or your estate will never be left with a debt burden exceeding the value of the property. The guarantee offers a layer of protection, ensuring that the repayment amount is capped at the property's current market value.

I won't be able to leave an inheritance for my family with a lifetime mortgage.

While a lifetime mortgage can impact the size of the inheritance, some products come with inheritance protection features. These features allow a portion of the property's value to be ring-fenced for inheritance, providing a balance between accessing funds and leaving an inheritance.

I won't be able to move house if I have a lifetime mortgage.

Many lifetime mortgages are portable, meaning you can transfer the loan to a new property if you decide to move. However, it's essential to communicate with the lender and understand any potential fees or restrictions associated with moving.

Lifetime mortgages are only for desperate or financially struggling individuals.

Lifetime mortgages are financial products designed for homeowners aged 55 and older who want to release equity from their homes for various purposes, such as supplementing retirement income or funding home improvements. It's not exclusive to those in financial distress, and individuals with diverse financial situations may find it a suitable option.



How do I select the right provider?

With numerous lenders in the UK, it's essential to choose a reputable and reliable company that meets your needs.

Here are some tips for selecting a provider:

Get help from an Independent adviser

An independent later life mortgage adviser can help you by assessing the best deal from every single provider.

Research company reputation

Look for companies with strong financial ratings, positive customer reviews, and a history of prompt processing.

Compare quotes

Obtain quotes from multiple providers to ensure you're getting the best deal for your desired coverage.

Review policy terms

Carefully read the policy terms and conditions, paying close attention to exclusions, limitations, and any waiting periods.

We can help!

Slaiyburn Financial Planning can help you find the right later life mortgage. We have a team of experienced advisers who can help you understand your options and make the best decision for you and your family.

We offer free consultations and are confident we can help you finance your dream home or release funds from your existing home.

Here are some of the services we offer:

- Understanding the different types of mortgages available
- Comparing different mortgage quotes
- Negotiating with lenders to get the best possible terms
- Completing your mortgage application



What are the benefits of using an independent financial advisor to arrange a mortgage?

We're often asked what the benefits of using an independent financial advisor to help arrange a mortgage are.

We're independent

An IFA is not tied to any one lender, so they can offer you unbiased advice on the best mortgage for your needs.

We're the experts

Independent financial advisers have a wealth of experience in the mortgage market and can help you to find the best deal for your individual circumstances.

We save you time

An IFA can do all the legwork for you, so you don't have to spend hours researching different deals.

Peace of mind

Knowing that you have the support of an experienced independent financial adviser can give you peace of mind during the mortgage process.



Meet our Equity Release specialist



Richard Baxter

DipPFS, Certs CII MP&ER

Richard has a vast experience in financial services as he has spent all his working life in the industry.

He is a fully qualified financial adviser and specialises in Later Life lending via Equity Release.

Although he lives in Huddersfield, West Yorkshire he has helped many clients countrywide as he can offer remote and telephone consultations as well as face to face visits in his locality.

Yorkshire born and bred, married with a daughter and a Foster Parent Richard is a keen supporter of Real Ale, Homebrewing and Huddersfield Town Football Club!



Get in touch

Call or email Richard for a free consultation

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