FowlerSmith
MORTGAGES & PROTECTION

A plain-English guide
Lifetime mortgages, honestly explained

Straight answers to the questions families ask us most, for homeowners aged 55 and over and the people helping them decide.

What is a lifetime mortgage?

A loan secured on your home, usually available from age 55. It's normally repaid from the sale of your home when you die or move into long-term care.

Will I still own my home?

Yes. The loan is secured against your home, as with any mortgage, but the home stays yours. You can live there for life, or until you move into long-term care, as long as it remains your main home.

How much could I release?

It depends mainly on your age and your home's value. Generally, the older you are, the larger the share you can release. Your personalised illustration will show your exact figures.

How much can the loan grow?

With roll-up interest you're charged interest on the interest, so the amount owed can grow significantly over time.

Do I have to make monthly payments?

Not usually. Interest can roll up onto the loan, or you can choose to pay some or all of it as you go.

How is the money paid?

Either as one lump sum, or as a smaller first amount with a reserve you can draw from later. With drawdown, you're only charged interest on what you've actually taken.

Could we owe more than the house is worth?

Not with a plan that meets Equity Release Council standards. Its no negative equity guarantee means neither you nor your estate will owe more than the home sells for.

Your safeguards with an Equity Release Council plan



- Fixed or capped interest rate for life
- The right to stay in your home for life or until long-term care
- The option to move home, if the lender accepts the new property
- A guarantee you'll never owe more than your home is worth
- The right to make penalty-free partial repayments
- Clear rules if you move in with family for care

DECIDING CAREFULLY

Things to think about before you decide

It reduces what you leave behind.
The more the loan grows, the smaller your estate.

Early repayment charges can apply
if you repay the plan in full early.

It can affect benefits. Releasing money may
reduce entitlement to means-tested benefits.

Clearing an existing mortgage this way may cost
more overall than other ways of repaying it.

It can limit future options. Borrowing more later may be
restricted, & any new home must meet the lender's criteria.

We'll look at the alternatives too

A lifetime mortgage isn't always the answer.
We'll also talk through options such as downsizing, a retirement interest-only mortgage or a standard mortgage, so you can compare them properly.

Bring your family.

Family members are always welcome, at every stage.

If there are two of you.

The loan usually carries on until the second person dies or moves into long-term care, so neither of you has to leave the home.

How it works with us

1. **A first conversation.**
   We talk through what you're hoping to achieve, with no obligation.
2. **Your personalised illustration.**
   This shows how much you could release, the costs, and how the loan could grow.
3. **Our recommendation.**
   We explain what we'd suggest and why, and you take as long as you need to decide.

Words you might hear

Roll-up interest:
interest added to the loan rather than paid monthly.

Means-tested benefits:
support such as Pension Credit that depends on your income and savings.

No negative equity guarantee:
you'll never owe more than your home sells for.
Personalised illustration: a document showing your plan's figures and features.



Talk to Elizabeth Obiji

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A lifetime mortgage is a long-term loan secured on your home.
To understand the features and risks, ask for a personalised illustration.

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