

# Retirement Interest Only (RIO) Mortgages

A guide to your journey from start to finish



# Your Application

Now that you've spoken to your adviser and we've received your completed application, you can progress to getting your Retirement Interest Only (RIO) mortgage.

This includes an independent valuation of your property and the option for Assisted Legal Fees.



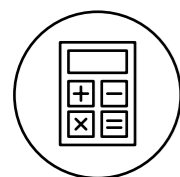
## What are Assisted Legal Fees?

We'll appoint Konexo UK as the solicitors to complete the conveyancing process and will pay their standard fees.

If you choose your own solicitor, you won't qualify for Assisted Legal Fees but we'll contribute to the costs.

**See overleaf for further information about the costs covered and how to qualify.**

Regardless of your choice, in this guide we'll refer to the solicitor completing the conveyancing as 'the solicitor'.



## Step 1. Make an Application

When you and your adviser have decided that a RIO mortgage is right for you, your adviser will submit your application. At this point, if you've chosen Assisted Legal Fees, your adviser will ask you to sign a form of authority to allow the solicitor to begin work for us. If we've requested any documentation, we can't process your application to offer without them.

You are here



## Step 2. Have a Valuation

Your home will be valued by an independent expert who'll be in touch shortly after your application to book an appointment at a time that suits you. Please see page 3 for further information about this step.



## Step 3. Receive your Offer of Loan

We'll send you your Offer of Loan when the valuation has completed, and we've approved your application. Your Offer is valid for 180 days so it's important to provide any information that we may request from you.

If you've chosen Assisted Legal Fees, we'll send the solicitor a copy of your Mortgage Offer as well. They'll complete land registry checks to ensure you're the registered owners of your property.



## Step 4. The Legal Process

If you're using your own solicitor, they'll work with ours to carry out the legal process.

With Assisted Legal Fees, the solicitor will send you a document pack and solicitor's certificate to complete and return. They'll call you to ask for any extra details and answer your questions about the process.

At this point you'll also need to insure your home for at least the amount set out in your Offer of Loan to cover any rebuilding costs.



## Step 5. Completing your Mortgage

When all necessary paperwork has been completed, your money will be released. The solicitor you've chosen will repay any outstanding debts secured on your home and deduct any fees, before transferring the money to you.



# Assisted Legal Fees explained

Legal & General have chosen Konexo UK to complete the conveyancing process and ensure your mortgage completes as quickly as possible. With Assisted Legal Fees, we'll pay their standard legal fees for you. If you don't meet Konexo UK's eligibility criteria then we'll choose a different solicitor but will still pay the standard legal fees.

## Do I qualify for Assisted Legal Fees?

- You've received advice from your adviser.
- You accept that Konexo UK will solely complete the conveyancing on our behalf.
- You're buying a new property.
- You're not the current registered owner of the property.
- You require independent legal advice.
- You require any additional work or services other than the standard legal work required (as below).

## What do Legal & General pay?

- For Konexo UK or our chosen solicitor to complete the conveyancing on our behalf.
- If you have chosen your own solicitor, we'll pay up to £240 (plus VAT) cashback towards the costs for completion of Solicitors Certificates. You'll need to pay the difference for any cost higher than the £240.

## What do I need to do?

- You'll need a Solicitor's Certificate signed by a solicitor independent of Legal & General to confirm you've been offered independent legal advice but have chosen the Assisted Legal Fees instead. Konexo UK will contact you to discuss this and what you'll need to do next.
- If you choose your own solicitors to complete conveyancing, you won't be eligible for Assisted Legal Fees. You'll instead be offered an alternative cashback contribution towards your solicitor's costs.



## Step 2: Have a Valuation

### Booking your appointment

Before a valuation can take place, the valuer will contact you to agree a convenient date and time to visit your property during daylight working hours. This is known as a physical valuation.



Our number one priority is your health and safety. To put you at ease, valuers can take precautions to minimise potential risks (e.g. wearing face masks and gloves).



### What's next?

On the day of your appointment, the valuer will make a full assessment of your property value and check it meets our suitability criteria. They'll record measurements using a tape or laser measure, test for damp and may also take photos with a camera, smartphone, or tablet.



### What will my valuation be based on?

The valuation includes a physical assessment as well as research into sales prices of similar properties in your area. Your final valuation figure confirms rebuilding costs for your insurance and will be provided in your Offer of Loan.



Remember, a RIO mortgage valuation isn't the same as an Estate Agents. Estate Agent valuations can be more or less as they provide marketing figures and suggested asking prices.



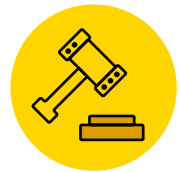
## Step 3: Receive your Offer of Loan

### What happens after the valuation?

A copy of the valuation report will be sent to us which we'll review with your RIO mortgage application. If everything is acceptable, we'll send you your Offer of Loan.

At this point, you'll need to insure your home for the amount detailed in your Offer of Loan. We'll send the solicitor a copy of your offer and any other legal documentation needed to start the conveyancing process (detailed overleaf).





## Step 4: The Legal Process

Once the solicitor has received your Offer, they'll complete searches to ensure you're the registered owners of your property and work to complete the conveyancing on your RIO mortgage.



If you don't meet Konexo UK's criteria, we'll choose a different solicitor to carry out this process.

If you've chosen your own solicitor, you won't be eligible for Assisted Legal Fees but you'll receive cashback towards the costs of this process.

In this section, we'll refer to the solicitor completing conveyancing as 'the solicitor'.

### Read your document pack

#### What should the solicitor do?

The solicitor will send you a document pack to complete and return. This includes a Solicitor's Certificate.

They'll call you to ask for any additional information and answer any questions you may have.

#### What should you do?

Your Offer is valid for 180 days. Make sure you provide the solicitor with any additional information such as buildings insurance details to ensure conveyancing completes within this period.

You can ask to keep in touch with the solicitor to ensure everything is on track.



### Sign your Solicitor's Certificate

#### What will the solicitor do?

The solicitor acting for us will contact you if they haven't received your completed solicitor's certificate.

#### What should you do?

The solicitor's certificate needs to be signed in the presence of a solicitor and then sent back. You can either use the independent solicitor's we've picked or your own. If you use your own, we'll require the completed form returned to us before legal work can continue.



### Final checks

#### What will the solicitor do?

The solicitor will check that all necessary paperwork is in place and arrange a completion date with you.

If you're repaying an existing mortgage, the amount required to pay it off will be checked and any additional funds will be collected from you.

#### What should you do?

If any additional funds or information is required by the solicitor, you'll need to provide this before your mortgage completes.



## Step 5: Completing your mortgage

#### What will the solicitor do?

Once the solicitor has checked with you, they'll repay any existing mortgage and deduct any fees and legal costs before paying the remainder to you.

They'll then register the mortgage to your property and send a copy of the new property title to us.

#### What should you do?

You may want to keep in touch with the solicitor to ensure everything is on track.

# Frequently asked questions

## Do I need to pay any fees or charges?

Each debt the solicitor is required to clear (other than an existing mortgage) will be charged at £30 per transaction.

If any of the following apply, then you won't qualify for Assisted Legal Fees:

- The first registration of a property at the Land Registry if the title to your property is unregistered
- Removing a restriction, notice or caution from the title to your property at the Land Registry and/or bringing a trust to an end
- Transfer of Equity, for example adding or removing someone from the title to your property
- Dealing with Stamp Duty Land Tax for a Transfer of Equity
- Buying the freehold to your property
- Extending the lease of your property (non-statutory)
- Acquiring the remaining share in a Shared Ownership property
- 'Buy out' of a solar panel lease
- Dealing with adverse possession, for example 'squatter's rights'
- Your application is being dealt with by a Power of Attorney
- You've been made bankrupt (unless this is fully discharged and there is no reference to the bankruptcy on the title of your property)

## Who will conduct the valuation?

Our independent valuers are qualified and registered members of the Royal Institution of Chartered Surveyors. The valuer may not be dressed in traditional business clothing, so for your peace of mind you can ask them to present their ID card, if they haven't already.

## What happens if my valuation is lower than expected?

Our valuers consider different factors to an Estate Agents' valuation. If you've already been given an estimate by an Estate Agent, don't be alarmed if your mortgage valuation differs. If the value is lower than expected, this may be due to the property suitability. If this happens, additional surveys may need to be carried out which you may be charged for.

## How long is my mortgage offer valid for?

Your mortgage offer is valid for 180 days and most RIO mortgages complete within this period. Don't worry if your mortgage doesn't complete within this time, your adviser can ask us for a new offer, so long as your property valuation remains valid and your circumstances haven't changed.

## What happens if the interest rate changes?

If during this time our interest rates have changed, and we provide you with a new RIO mortgage offer, it could be on a higher or lower interest rate. If this happens, your adviser can explain how this affects you.

## Are there any circumstances that will affect the legal process?

It's important to keep in touch with your solicitor to get regular updates as certain situations may be more complex and require more information. This can make the legal process longer (e.g when repaying your existing mortgage, purchasing a property or following a divorce).



## Easier to read information

Please call us on **03330 048 444** if you are visually impaired and would like this document in Braille, large print, audio tape or CD.

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