

Flexible Lifetime Mortgage

What is it?

Our Flexible Lifetime Mortgage allows your clients to release the money tied up in their property without having to move home or make monthly payments. This product is a loan that is secured against your clients' home, to give them a tax-free cash sum or smaller amounts that they could take as and when they need.

The interest is added to the amount your clients owe each month, meaning that we charge interest on the loan plus any interest already added.

The Lifetime Mortgage is usually repaid from the sale of the property when your clients die or move into long term care.

Who is it for?

Our Flexible Lifetime Mortgage is designed for clients who:

- Are over the age of 55 and are living in England, Wales or mainland Scotland.
- Need to borrow a minimum of £10,000.
- Living in their own home with a small or no mortgage.

It is not suitable for clients who:

- Would like to sell their property and downsize.
- Have savings or investments that they can consider using instead.
- Have sufficient long-term income which would mean that they could afford monthly payments or may qualify for a personal loan or residential mortgage.
- Claim benefits that supplement their income and may be affected by taking a Lifetime Mortgage.

Criteria

Amount available	Actual loan amount determined by your clients' age and property value; when we are undertaking desktop valuations, we will use 95% of the desktop valuation when we calculate the amount we can lend to your client. For physical valuations we use 100%
Minimum loan amount	£10,000.
Maximum loan amount	£750,000 - refer cases over this.
Minimum applicant age	55 years.
Maximum applicant age	90 years at time of application and complete within 6 months of turning 91.
Minimum property value	£100,000 For flats or maisonettes, 85% of the property value will be used.
Maximum property value	£2,000,000 (refer cases over this for physical valuation). For flats or maisonettes, 85% of the property value will be used.
Property location	England, Wales or Mainland Scotland.
Tenure	Freehold. Leasehold (remaining term plus the age of the youngest borrower at completion must be at least 185 years; 180-185 years will be considered).

Product features

No Negative Equity Guarantee	Your clients, or their beneficiaries, will never have to pay back more than the amount their property is sold for, provided it's sold for the best price reasonably obtainable, and they've met the terms and conditions of the loan.
Inheritance Protection at no extra cost	Your clients can protect a percentage of their property value at the outset.
Optional Partial Repayments	In any 12-month period, starting on completion and thereafter on each anniversary of completion, your clients can repay up to 10% of the amount(s) drawn with no Early Repayment Charges (ERC). They can make up to four repayments a year at a minimum of £500 each. Such payments do not restrict access to the drawdown facility.

Product features continued

Drawdown facility	Limited to the maximum LTV less initial advance. Drawdowns can be requested at any time, minimum £2,000. Interest on drawdowns will be charged at the prevailing fixed rate at the time of drawdown.
Additional borrowing (once the Drawdown facility has been used)	Additional borrowing requests will be considered after 12 months of the loan completing.
Portability	Your clients can move to another property subject to your clients and the property meeting our criteria at the time. Partial repayment may be required if they are moving to a lower value property. No ERC will be payable on such partial repayments.
Interest rate	Fixed for life of loan.
Commission	Commission is capped at £10,000. Any commission above this amount will be automatically rebated directly to your clients.

Borrower costs and fees

Arrangement fee	£599 on selected products. This fee can be added to the loan in excess of maximum LTVs. No fee on all other products.
Valuation fee	Currently free.
Legal fees	Your clients will pay their own solicitor's costs and all disbursements.
Early Repayment Charges	<p>ERCs are capped at 25% of the amount(s) drawn and linked to movement in UK FTSE Actuaries 15 Year Yield (the Index).</p> <p>An Early Repayment Charge is not payable if the loan is repaid:</p> <ul style="list-style-type: none"> • After the borrower (or if joint borrowers, the last surviving borrower) dies or goes into long term care; or • After the borrower (or if joint borrowers, the youngest borrower) reaches the age shown in section 13 of the KFI or Offer of Loan; or • If the Index at the time is higher than or equal to the Benchmark Rate shown in the Offer of Loan; or • On any Optional Partial Repayments which are made within the permitted limits; or • If your clients move home and transfer their lifetime mortgage to a new property that is acceptable to us and, as a result of which, need to repay part of the lifetime mortgage as required by us; or • For joint borrowers, in the first three years after the first borrower dies or moves into long term care.

Loan to value

Age	Flexible Black	Flexible Pink	Flexible Orange	Flexible Yellow	Flexible Green	Flexible Turquoise	Flexible Teal	Flexible Blue	Flexible Navy	Flexible Indigo
55	11.0%	13.2%	15.2%	17.2%	19.0%	20.0%	21.4%	22.7%	24.1%	25.3%
56	12.0%	14.2%	16.2%	18.2%	20.0%	21.0%	22.4%	23.7%	25.1%	26.3%
57	13.0%	15.2%	17.2%	19.2%	21.0%	22.0%	23.4%	24.7%	26.2%	27.3%
58	14.0%	16.2%	18.2%	20.2%	22.0%	23.0%	24.4%	25.7%	27.2%	28.3%
59	15.0%	17.2%	19.2%	21.2%	23.0%	24.3%	25.5%	26.7%	28.2%	29.3%
60	16.0%	18.2%	20.2%	22.2%	24.0%	25.3%	26.8%	28.2%	29.2%	31.1%
61	17.0%	19.2%	21.2%	23.2%	25.0%	26.5%	27.9%	29.2%	30.3%	32.1%
62	18.0%	20.2%	22.2%	24.2%	26.0%	27.5%	28.9%	30.2%	31.3%	33.1%
63	19.0%	21.2%	23.2%	25.2%	27.0%	28.5%	29.9%	31.2%	32.3%	34.1%
64	20.0%	22.2%	24.2%	26.2%	28.0%	29.7%	31.0%	32.2%	33.4%	35.1%
65	21.0%	23.2%	25.2%	27.2%	29.0%	31.0%	32.1%	33.2%	34.4%	36.1%
66	22.0%	24.2%	26.2%	28.2%	30.0%	32.0%	33.1%	34.2%	35.4%	37.1%
67	23.0%	25.2%	27.2%	29.2%	31.0%	33.0%	34.1%	35.2%	36.5%	38.1%
68	24.0%	26.2%	28.2%	30.2%	32.0%	34.0%	35.1%	36.2%	37.5%	39.1%
69	25.0%	27.2%	29.2%	31.2%	33.0%	35.0%	36.1%	37.2%	38.5%	40.1%
70	26.0%	28.7%	30.7%	32.7%	34.5%	36.0%	37.1%	38.2%	39.5%	41.2%
71	27.0%	29.7%	31.7%	33.7%	35.5%	37.0%	38.1%	39.2%	40.6%	42.3%
72	28.0%	30.7%	32.7%	34.7%	36.5%	38.0%	39.1%	40.2%	41.6%	43.5%
73	29.0%	31.2%	33.2%	35.2%	37.0%	39.0%	40.2%	41.3%	42.7%	45.0%
74	30.0%	32.2%	34.2%	36.2%	38.0%	40.0%	41.2%	42.4%	44.0%	46.2%
75	31.0%	33.2%	35.2%	37.2%	39.0%	41.0%	42.3%	43.5%	45.2%	47.3%
76	32.0%	34.2%	36.2%	38.2%	40.0%	42.0%	43.3%	44.6%	46.4%	48.3%
77	33.0%	35.2%	37.2%	39.2%	41.0%	43.0%	44.4%	45.7%	47.4%	49.3%
78	34.0%	36.2%	38.2%	40.2%	42.0%	44.0%	45.3%	46.6%	48.4%	50.3%
79	35.0%	37.2%	39.2%	41.2%	43.0%	45.0%	46.3%	47.5%	49.0%	51.0%
80	36.0%	38.2%	40.2%	42.2%	44.0%	45.7%	47.1%	48.4%	50.0%	52.0%
81	36.7%	38.9%	40.9%	42.9%	44.7%	46.3%	47.8%	49.2%	51.0%	53.0%
82	37.4%	39.6%	41.6%	43.6%	45.4%	47.2%	48.6%	50.0%	51.6%	53.5%
83	38.1%	40.3%	42.3%	44.3%	46.1%	48.0%	49.4%	50.7%	52.0%	53.5%
84	38.8%	41.0%	43.0%	45.0%	46.8%	49.0%	50.0%	51.1%	52.2%	53.5%
85 and over	39.5%	41.7%	43.7%	45.7%	47.5%	50.0%	50.8%	51.5%	52.4%	53.5%

Interest rates

Product variant	Flexible Black	Flexible Pink	Flexible Orange	Flexible Yellow	Flexible Green	Flexible Turquoise	Flexible Teal	Flexible Blue	Flexible Navy	Flexible Indigo
Standard	2.53% MER	2.55% MER	2.65% MER	2.77% MER	2.87% MER	3.00% MER	3.11% MER	3.31% MER	3.59% MER	4.01% MER
	2.56% AER	2.58% AER	2.68% AER	2.81% AER	2.91% AER	3.04% AER	3.15% AER	3.36% AER	3.65% AER	4.08% AER
2% Cashback	N/A	2.75% MER	2.84% MER	2.97% MER	3.07% MER	3.19% MER	3.30% MER	3.50% MER	3.78% MER	4.20% MER
		2.78% AER	2.88% AER	3.01% AER	3.11% AER	3.24% AER	3.35% AER	3.56% AER	3.85% AER	4.28% AER
£599 Arrangement fee	2.49% MER	2.51% MER	2.61% MER	2.74% MER	2.83% MER	2.96% MER	3.07% MER	3.27% MER	3.55% MER	3.97% MER
	2.52% AER	2.54% AER	2.64% AER	2.77% AER	2.87% AER	3.00% AER	3.11% AER	3.32% AER	3.61% AER	4.04% AER

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