

Making local connections that work

Interview with Jane Hanlon,
Mortgage Club Manager at
Advise Wise

This is not a consumer advertisement, it is intended for professional advisers only.

Introduction

It's no secret that equity release lending is at an all-time high. Despite being the fastest growing segment of the mortgage market, the Financial Conduct Authority estimates only 23% of intermediaries are qualified to advise on lifetime mortgages. So why aren't more advisers capitalising on this growing market?

Jane Hanlon is Mortgage Club Manager at Advise Wise having previously been at the Premier Equity Release Club; she's also a former adviser. Jane shares her views on how advisers can overcome myths, generate new leads and build local connections to make their lifetime mortgage pipeline flourish.

Q Tell us a bit about your background

A My first experience of equity release was back in the 1980s, where I worked as an Assistant Manager at the Cheltenham and Gloucester Building Society.

I then moved to the Bank of Scotland, where I worked as a Business Development Manager for many years. Watching the industry evolve made me realise I wanted to help people make more informed decisions about their finances. So I trained and fully qualified as an adviser in 2009, and set up the Premier Equity Release Club in 2014.

I've recently joined Advise Wise where I run the Advise Wise Mortgage Club, focusing on the helpdesk and placement service.

Q What attracted you to working with Advise Wise Mortgage Club?

A I had knowledge that I wanted to share. Formerly advisers would have used a packager to help find a home for more difficult cases. But today with technology it's a club: a central point and knowledge bank that advisers can use to develop their business. And as they grow their business, the club grows too.

From developing and distributing through to supporting the industry as whole, we're allowing the older generation to release equity from their homes and enjoy life. Every equity release case is different, and for every case there's a reason why you'd place it with a specific lender. For the adviser who doesn't do it every day, the club can offer a firm 'yes' or 'no'. We can say which lenders' products will work for a client, and which ones won't.

The market is growing and the more confident advisers become with equity release products, the better client outcomes they'll achieve.

Q What is stopping advisers entering the lifetime mortgage market?

A I think some advisers are put off by the former reputation of equity release. The industry has been through tremendous change over the last 30 years. Some advisers may not be aware of safeguards the Equity Release Council now have in place.

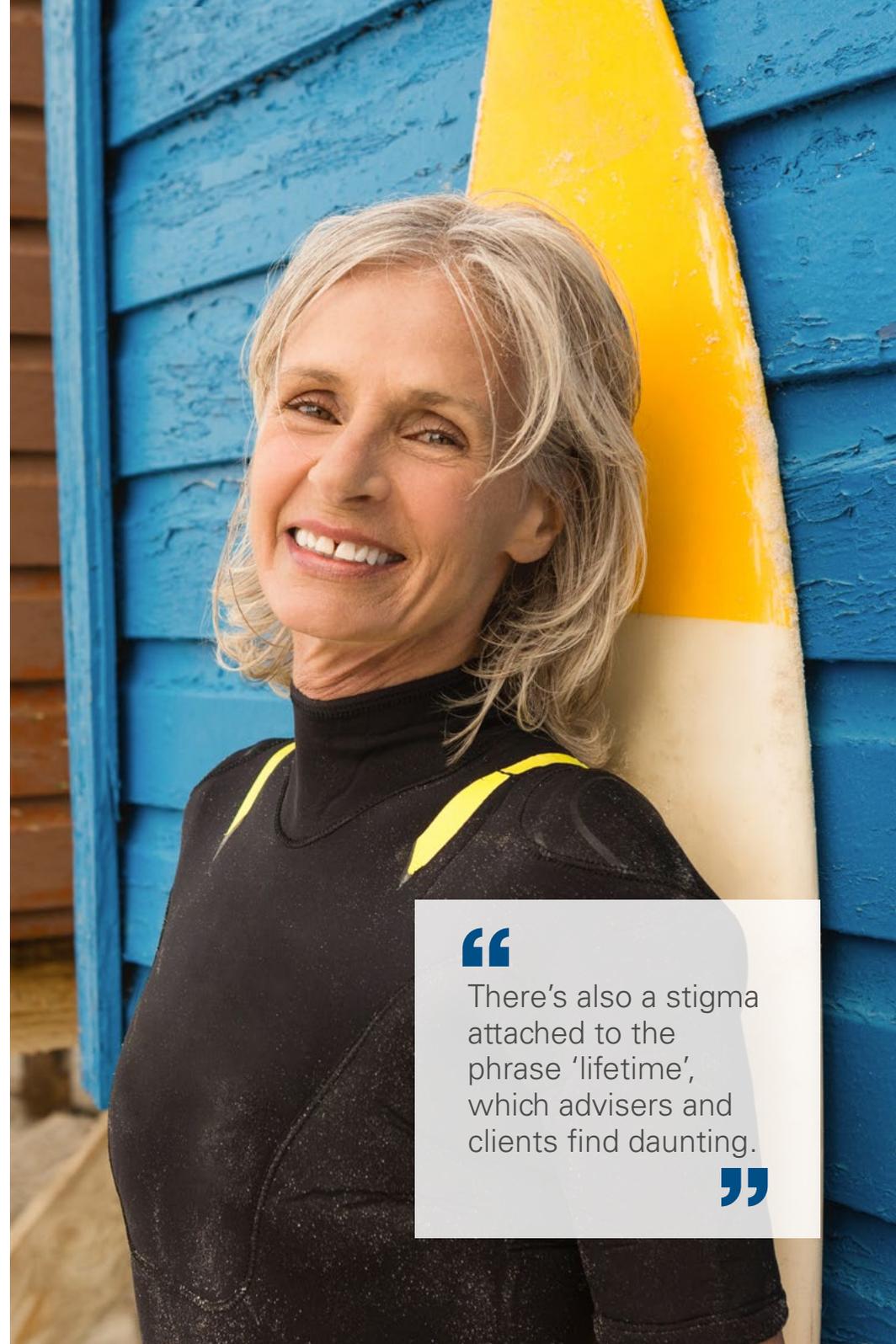
One of the key changes has been the 'no negative equity guarantee' which means borrowers, and their estate, will never owe more than their home is worth. There's also a stigma attached to the phrase 'lifetime', which may seem daunting to advisers and clients – but it doesn't have to be. Often, a lifetime mortgage can effectively be treated as a remortgage – especially when choosing a product that allows the client to make interest payments each month.

We're now seeing lifetime mortgages on the high street. People are becoming more aware of the products and more confident to talk about financing their retirement. The industry has come a long way to shake off its negative reputation, but we need further education to make the market more attractive to advisers.

Q What's the best way for new advisers coming into the market to source leads?

A The adviser's first port of call should be their existing client bank. They could do something as small as communicating their services on a postcard, and including a list of useful numbers such as debt and pension credit helplines in the area. It may sound small, but this keepsake item puts advisers front and centre of their clients' minds – especially if it builds on the strong foundations of an existing relationship.

Equity release could enable families to pass on some of their inheritance earlier in life. This could be at a more useful time and help with big life costs such as raising the deposit for a first-time buyer, or paying for a child's wedding. Or it could be used when an older relative goes into care – releasing money to make much needed home improvements. There are buy-to-let equity release products for over 55s that allow existing landlords to keep hold of their investment. They can release equity from the property, but still keep it within the family. This could provide a source of income to pay for later life costs such as care.

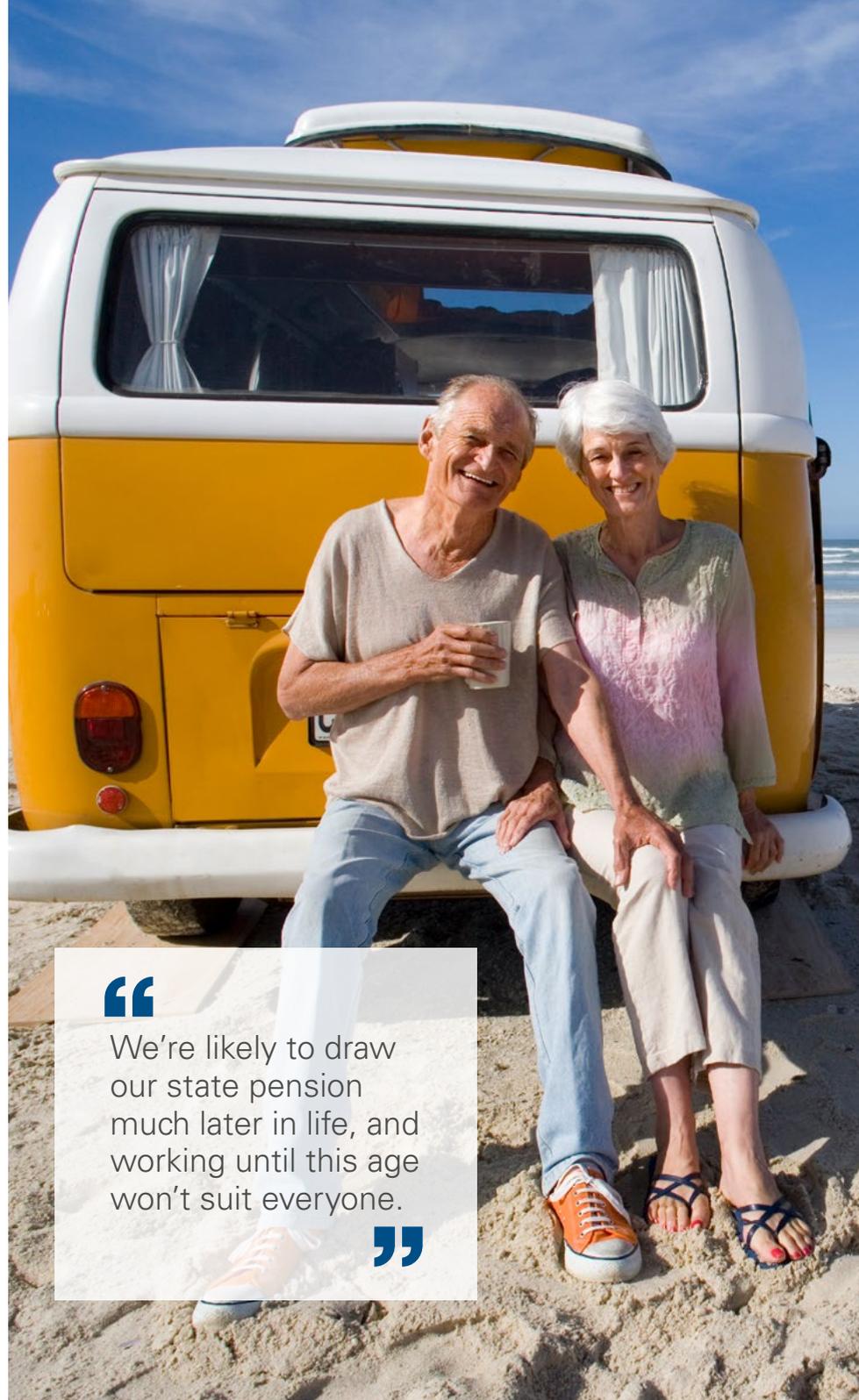


“ There's also a stigma attached to the phrase 'lifetime', which advisers and clients find daunting. ”

Q What local connections could drive new business for advisers?

A Trust, personal recommendation and locality are all key to driving new business. Arrangements with introducers in the adviser's local area are important. Estate agents are often a successful connection to make. Many local branches won't have an equity release-qualified adviser in house – but they will have clients who could benefit from the product. They could have retirees looking to upsize but with a shortfall in money, first-time buyers turning to grandparents or parents for a deposit, or self-employed workers over 55 struggling to prove affordability for a residential mortgage. There's a great synergy between the two businesses. This collaboration could be the difference between a client walking away empty handed, or ecstatically singing both party's praises! Sharing office space with other businesses is another option to consider.

Having a shop window close to amenities could improve footfall and bring new prospects through the door from fellow space sharers. This gets their business noticed by people who didn't know they existed. There's also the element of trust. Advertising in places where people feel comfortable seeking help could be a quick and easy win for advisers. Think of local magazines, a notice board at your nearest Citizen's Advice or even a business card in your local hairdressers.



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Q Any final thoughts on where the lifetime mortgage business is headed in future?

A I think 'lifetime' products are heading in the same direction as mortgages. Even though a lifetime mortgage is a 'lifetime' product, it can be used to meet the more immediate needs of retirees. We're likely to draw our state pension much later in life, and working until this age won't suit everyone. A lifetime mortgage could be used to provide an income to those wishing to retire before they're ready or able to draw their state or private pensions.

The range of equity release products available has more than doubled in the past year, and I think product innovation will continue as lenders compete.

Who will be the first to bring an offset equity release product to market? Or introduce an equity release bridging loan? I'm excited to see how the products evolve and look forward to supporting many new advisers in this growing market.



Do you have a question about lifetime mortgages?

We can help.

We're committed to helping advisers understand the role that lifetime mortgages can play in helping clients achieve their financial objectives and a more colourful retirement. Find out more about our lifetime mortgages and becoming equity release-qualified to help your clients.

Useful links:

Getting started with lifetime mortgages:

www.legalandgeneral.com/adviser/getting-started

How to get qualified: www.legalandgeneral.com/adviser/getting-qualified

Our lifetime mortgage products: www.legalandgeneral.com/adviser/LTM

Get in touch:

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Call charges will vary. If you're contacting us by email please remember not to send any personal, financial or banking information – email is not a secure method of communication.