



Live life your way

Your guide to **lifetime mortgages**



What is a lifetime mortgage?

A lifetime mortgage is a way of releasing a lump sum or regular income from your home, tax-free, without having to move or downsize. It's a type of equity release – a loan secured against your home – and is designed exclusively for homeowners aged 55 or over.

The interest rate is fixed for the duration of the lifetime mortgage. And depending on which product you take out, you can choose to pay none, some

or all of the interest. Any unpaid interest is added to the amount you owe each month, which means the amount you owe will increase quickly over time.

There are also no affordability checks – everything is worked out from the value of your home.

And our Lifetime Mortgages are usually repaid from the sale of your home after the last borrower dies or moves out of your home and into long-term care.



Types of lifetime mortgage

At Legal & General, we have a range of lifetime mortgages, so you can choose the one that best suits your needs.



Our **Income Lifetime Mortgage** allows you to release money from your home and take a fixed monthly income for 10, 15, 20 or 25 years.



Our **Optional Payment Lifetime Mortgage** allows you to take a tax-free lump sum from the equity in your home, then pay up to 100% of the interest each month.



Our **Flexible Lifetime Mortgage** allows you to release a tax-free lump sum, where nothing is repaid until the last borrower dies or moves into long-term care.

And have you considered a lifetime mortgage as part of your retirement planning? Whether you're already enjoying drawdown or are thinking about an annuity, you can also take out a lifetime

mortgage. You may want one to bridge a gap in your finances, or simply want to enjoy your retirement more – whatever you're looking for, your home could help you live life your way.

Giving Nigel and Jenny peace of mind

Nigel and Jenny have lived in, and loved, their home for nearly 20 years.

They had an interest-only mortgage, but realised later they'd need a substantial amount of money to pay it off. They didn't have enough saved and had started to look at downsizing as a solution.

But they didn't want to move, and the worry and stress had started to keep them awake at night.

That is, until they discovered lifetime mortgages.

They talked to an adviser and spoke to their family before deciding a lifetime mortgage from Legal & General could help. Now they've paid off their interest-only mortgage and they're enjoying living in the home they know and love.

// ... [our children] said go for it Dad, go for it Mum. //

Nigel and Jenny, Bedfordshire



How could a lifetime mortgage help me?

Lifetime mortgages from Legal & General allow you to release either a lump sum or monthly income to use in many different ways. Some of our customers have used them for:

- Making home or garden improvements.
- Taking the holiday of a lifetime.
- Paying off an outstanding mortgage and any early repayment fees.
- Helping family members get on the housing ladder, or paying for a grandchild's education or wedding. If you give money away, the recipient may have to pay inheritance tax in the future.
- Topping up monthly income to afford some of life's little luxuries on a more regular basis.
- Bridging a gap until another income, perhaps a pension, becomes available.



Why not try our free calculator to see how much you could release?

legalandgeneral.com/ltm-calculator

We've helped
74,000
customers
get a lifetime mortgage*.

*Legal & General Lifetime Mortgage customers, as at 31 June 2019.

Thinking about downsizing?

While many will say they plan to downsize, only 15%* of over-55s actually do. Maybe they prefer to stay in the home they know and love. Or maybe they'd like to avoid the potential stress of packing up a lifetime of things and moving.

If you're considering downsizing, a lifetime mortgage could be an alternative worth thinking about, because it allows you to release cash from your home whilst you continue to enjoy living in it.

If downsizing is the right choice for you, there's more helpful information about this option – including benefits and costs to be aware of - at [legalandgeneral.com/itm-downsizing](https://www.legalandgeneral.com/itm-downsizing)

And if you do take a lifetime mortgage and decide to move home at a later date, your lifetime mortgage can move with you, subject to our terms and conditions.

*Generation Stuck, McCarthy & Stone, 2016.



Some frequently asked questions

How much will it cost me?

At Legal & General we don't charge an advice fee, however depending on the product you select, you may have to pay an application fee to take out the product. There are also other costs associated with taking out a lifetime mortgage, such as legal costs. Your adviser will explain all the fees you'll have to pay, and these will be listed in the personal Key Facts Illustration you'll receive when you apply for the lifetime mortgage.

It's also important to remember that interest on our Lifetime Mortgages is charged on a roll-up basis. This means that interest is charged on the loan amount plus any interest already added. Therefore the amount you owe can grow quickly over time, reducing any remaining equity.

Will I still own my home?

Yes, your home remains in your name, with the loan secured against it. Lifetime mortgages are usually repaid from the sale of the property, when the last surviving borrower dies or moves into long-term care.

Will my family have to pay back the loan when I'm gone?

Yes, though you or your beneficiaries will never have to pay back more than the amount your property is sold for, so long as it's sold for the best price reasonably obtainable and you have met the terms and conditions.

Can I move house?

Yes, you can take your lifetime mortgage with you to a new property, so long as it meets our lending criteria. We'll need to give our consent and you'll have to pay a valuation fee.

Will a lifetime mortgage affect any inheritance?

Yes. You can access your home's equity now, but the value of any inheritance you leave will be reduced. We offer optional Inheritance Protection on lifetime mortgages, which reduces the amount you can borrow.

How long does it take to get the money?

It usually takes between seven to twelve weeks from the time your adviser completes your application to the time you'll receive your money. Of course, this will vary from case to case, depending on the property, for example.

What next?

The next thing to do is speak to an adviser. You may have cheaper ways to borrow, for example, and an adviser will be able to help you with that. They'll be able to review all your options, answer any questions, and help you understand the risks and benefits.

If you don't have an adviser, then we can help. Call us to find out more. No question is too small, we're ready to take your call and very happy to help – whatever the query. There's no obligation, and we can check you meet the basic eligibility criteria if you'd like us to.



Call us free on **0808 163 7601**
Monday to Friday 8.30am to 8.00pm
Saturdays 9.00am to 1.00pm
We may record and monitor calls.

You can also see our frequently asked questions and use our handy calculator to see how much equity you could release at legalandgeneral.com/ltm-calculator



As a member of the Equity Release Council, we uphold its standards and regulations.



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