

Ready for a more colourful retirement?

Our later life mortgage guide
can help get you started



Contents

What is a later life mortgage?	3
Our later life mortgages	4
Interest Roll Up Lifetime Mortgage (IRLM)	4
Optional Payment Lifetime Mortgage (OPLM)	4
Payment Term Lifetime Mortgage (PTLM)	4
Retirement Interest Only Mortgage (RIO)	4
How do our later life mortgages compare?	5
How much could you borrow?	6
Here's how we helped Lillian and Robert	7
How does it all work?	8
Why choose us?	10
How could a later life mortgage help me?	11
Our advice	12
Frequently asked questions	13

Our mortgage service is provided by two parts of Legal & General. Legal & General Home Finance (LGHF), which provides the products, and Legal & General Financial Advice (LGFA), which advises which of these, if any, may be suitable for you. Throughout this brochure where we refer to 'we', 'our' and 'us', we're referring to both parts of Legal & General.

Call us for free on 0808 252 7561

Our team of specialist advisers can talk you through all your options from the comfort of your own home.

Monday to Friday 9am–6pm, Saturday 9am–1pm. We may record and monitor calls.

You can find out more and try our easy-to-use calculators at:

[legalandgeneral.com/mortgageguide](https://www.legalandgeneral.com/mortgageguide)

What is a later life mortgage?

At Legal & General, we know retirement is different for everyone. What you plan for, and how things actually turn out, can be very different.

This guide explains how our later life mortgages can help release the money tied up in your home, so you can use it to help you get more from your retirement.

Over the years, property values have risen. That means your home could be worth much more than you paid for it.

Maybe you're coming up to retirement and thinking about how you're going to boost your income. Perhaps you want to make some home improvements, or are planning to help your loved ones with expenses out of their reach.

For many younger people today, home ownership can feel like a fantasy. Imagine being able to release money in your home to help your children or grandchildren buy homes of their own. And you won't even have to move house to do it.

But don't forget, giving money as a gift comes with its own rules and might be subject to inheritance tax. Your adviser can help you understand this.

- Our later life mortgages include lifetime mortgages and a retirement interest-only mortgage.
- A later life mortgage is a loan secured against your home and is available exclusively to homeowners aged 55 or over. However, we offer our Payment Term Lifetime Mortgage to customers aged 50 or over.
- We help you to release the money you've saved into your home, without you having to move or downsize.
- You usually don't need to pay it back until the last remaining borrower dies or moves out of the home and into long-term care. It's then paid back from the sale of your home.

Our team of specialist advisers will answer your questions and talk you through your options.

- Sometimes a later life mortgage isn't the best choice. We'll tell you if it isn't right for you.
- We're happy to help, so no question is too small.

“It means a more financially secure future and gives us so much freedom and choice as to what we do in our retirement.”



We're proud members of the Equity Release Council – a trade body set up in 1991 to help educate and protect equity release customers.

Our later life mortgages

Our Lifetime Mortgages or our Retirement Interest Only Mortgage are designed with you in mind. What's more, you'll have the confidence knowing, you don't need to move or downsize.

Our lifetime mortgage range have something called rolled-up interest. This simply means, interest is charged on the loan and on any interest that has already been added. This is outlined below.

Our lifetime mortgages are a type of equity release, allowing you to release some of the money tied up in your home. A RIO is a type of residential mortgage that allows you to release money tied up in your home to provide you with a lump sum.

Interest Roll Up Lifetime Mortgage (IRLM)

Release a lump sum, or smaller amounts as and when you need them.

- There's no need to make monthly payments.
- Available to customers aged 55 and over.

Optional Payment Lifetime Mortgage (OPLM)

Gives you the option to choose to pay some, or all, of the monthly interest by Direct Debit.

- Paying the monthly interest will reduce the overall cost of the loan.
- Available to customers aged 55 and over.
- You can stop interest payments at any time, but you won't be able to restart them.

Payment Term Lifetime Mortgage (PTLM)

You'll have to pay the interest off monthly by Direct Debit for a pre-agreed payment term, which cannot extend beyond retirement or your 75th birthday, whichever is sooner.

- By making monthly interest payments, you may be able to borrow more than with our other lifetime mortgages.



At the start, your PTLM isn't fully Equity Release Council compliant. That's because, as a last resort, we might

have to repossess your home if you don't make your agreed monthly interest payments. This conflicts with the Equity Release Council's "right to remain in your property" standard. Once you reach the end of your payment term and stop having to pay interest on your PTLM, it then complies with all Equity Release Council standards.

- Paying all the monthly interest for the payment term, can reduce the overall cost of the loan.
- Available to customers aged between 50 and 74.
- By paying all the monthly interest, the amount you owe doesn't increase during the payment term.
- As a last resort, your home may be repossessed if you don't keep up repayments.

Retirement Interest Only Mortgage (RIO)

You'll have to pay the interest off monthly by Direct Debit for the duration of your mortgage.

- Paying all the monthly interest means the amount you owe doesn't increase over time.
- Available to customers aged 55 and over.
- As a last resort, your home may be repossessed if you don't keep up repayments.

Try our Lifetime Mortgage calculator at:
legallandgeneral.com/lrm-guide

Try our RIO Mortgage calculator at:
legallandgeneral.com/rio-guide

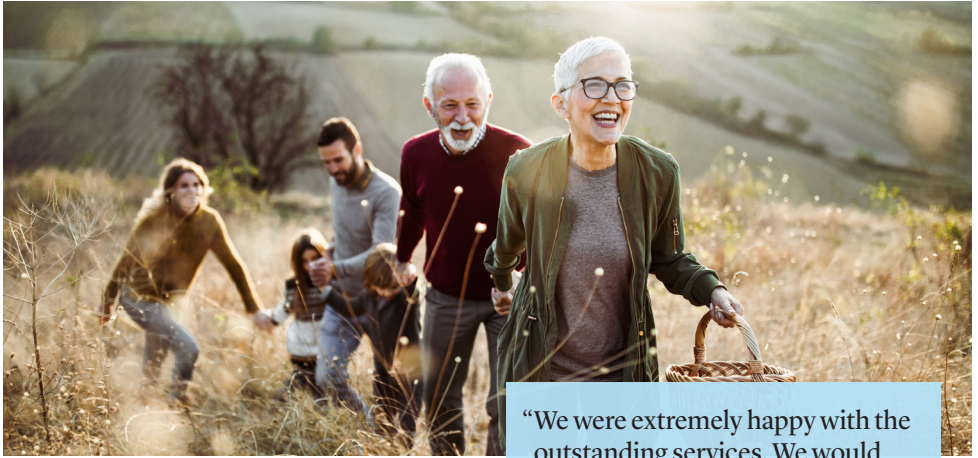
There are many benefits of taking out a later life mortgage, but there may also be cheaper ways to borrow.

When you call, we'll tell you that your means-tested benefits and tax position could be affected.

Your adviser will run a free means-tested benefit check, to see if releasing funds will affect any payments that you're receiving. You're under no obligation to complete your application, if you decide it's not right for you.

How do our later life mortgages compare?

Our products include many features and guarantees	IRLM	OPLM	PTLM	RIO
You'll get a fixed interest rate for the life of the loan. Any future borrowing, if available, will be based on the current interest rate available at the time.	✓	✓	✓	✓
Affordability assessment required. For our PTLM, it's worth noting that at least one of the applicants must be working.	✗	✗	✓	✓
You will still own your own home. As a last resort, your home may be repossessed if you do not keep up the monthly repayments on the PTLM and RIO mortgage	✓	✓	✓	✓
The mortgage lasts until the last remaining borrower dies, or moves out of the home into long-term care. The loan is then repaid from the sale of your home.	✓	✓	✓	✓
You have the option to make Optional Partial Repayments where you can repay up to 10% of the loan with no early repayment charges (ERC). For OPLM and PTLM, this is only available after you've stopped making monthly payments.	✓	✓	✓	✓
Our No Negative Equity Guarantee – You'll never have to pay back more than the amount the property sells for, provided it's sold for the best price reasonably obtainable and meets the lifetime mortgage's terms and conditions. <ul style="list-style-type: none"> For PTLM the Guarantee won't apply to missed monthly interest payments and the interest on them. For RIO, if the sale of your property doesn't cover the outstanding mortgage, we'll ask your beneficiaries to settle the balance. 	✓	✓	✓	✗
Inheritance protection – Taking out a later life mortgage reduces the amount of inheritance you can leave. If it's important to you to leave something for your loved ones after you're gone, rather than before, we offer Inheritance Protection on our lifetime mortgages. This safeguards a percentage of your home's value, by reducing the amount you can borrow.	✓	✓	✓	✗
You move home and take the mortgage with you. As long as the new property meets our acceptability criteria.	✓	✓	✓	✓
Take a large lump sum, then smaller ad hoc sums as and when you need to.	✓	✓	✗	✗



“We were extremely happy with the outstanding services. We would recommend it all.”

How much could you borrow?

Our online calculators can give you an idea of what you could borrow:

If you're thinking about a Lifetime Mortgage visit legalandgeneral.com/lm-guide

If you're thinking about a Retirement Interest Only Mortgage visit legalandgeneral.com/rio-guide

The table below shows the average age, property value and loan amount of our later life mortgage applications so far in 2023, to give an example of the amounts that could be borrowed. The amount you can borrow depends on your property, its value, and your individual circumstances.

When you speak to our advisers, they'll be able to tell you the exact loan amount available to you and you don't even have to borrow the full amount. It's worth remembering that when you do borrow, the amount you choose may affect the cost of the product and the options available to you.

Your adviser will help work out a loan that's right for you.

What our customers are doing...

Norman and Pamela wanted a later life mortgage to repay their current mortgage, gift money to their son for his 30th birthday, and create an emergency fund as back-up. Daniel, their Legal & General adviser, helped them achieve all that, and increase their monthly budget surplus too.

Jean wanted to gift her son his inheritance early, and boost the quality of her retirement. We know that families can be a big part of any financial decision, so we were very happy for her niece to join her at our meetings. Following our advice and recommendations, Jean's helped her son just now, and set up a drawdown facility so she can help her grandchildren in the future.

Mortgage	Customer age	Property value	Loan amount
Lifetime Mortgage	70	£403,720	£32,573
Retirement Interest Only Mortgage	70	£323,333	£90,616

Here's how we helped Lillian and Robert



Lillian's later life mortgage

I bought my home in 2016. It had been an old chapel originally and I wanted to refurbish it so that it was eco-friendly and my forever home. The cost of doing it concerned me until I started looking at lifetime mortgages.

Having a lifetime mortgage has given me the independence and freedom to do the house up as I wanted, long-lasting, and eco-friendly. It's also given me that freedom of not worrying about money.

Lillian, Lifetime Mortgage customer

Robert's later life mortgage

Three years ago, I started to think about what I was going to do when my interest-only mortgage ended.

I looked online and discovered Legal & General – they were fabulous! Kate helped me through everything. She felt like a friend actually. She was able to look at my life and find out exactly what I need, and I felt very safe in her hands.

It's wonderful to know that I can stay here the rest of my life, without paying anything, and then the debt being paid at the end of my life, is fantastic.

It takes the pressure off, and allows me to continue a great quality of life.

Robert, Lifetime Mortgage customer



How does it all work?



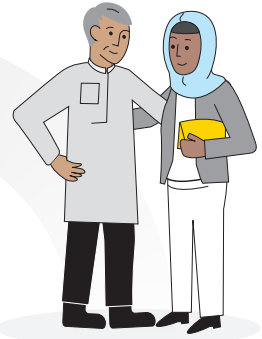
1

Call us on 0808 252 7561

It only takes 10 to 15 minutes to see if your property's suitable for a later life mortgage with us. If you want to take things further, we'll book a chat with one of our later life mortgage advisers to talk through your options.

There's no obligation to progress and no fees for any advice we give at this stage.

“This was a big decision for both of us and, at all times, we were kept up to date every step of the way.”



2

Talk to your family

If you want them to be part of the journey, bring them along to the call or meeting.



3

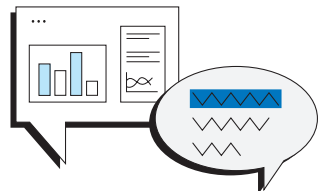
Getting to know you

Your adviser will get to know what you want to use your later life mortgage for, so they can give you the best advice and recommend the best product to suit your needs. There's no obligation to proceed at this point.

4

Our recommendations

Your adviser will come back with some recommendations based on your requirements, and leave you to decide if you'd like to proceed with the application or not.





5

Completing your application

Your adviser will get back in contact and if you're happy to proceed, they'll complete your application with you, so you know you're in safe hands.



6

Value your property

An independent surveyor will value your property. If your property needs any repairs, you might have to make them as a condition of the loan.

7

Receive your offer

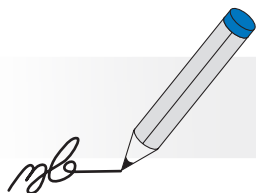
After we review your application, we'll send you an offer, confirming the amount you can borrow.



8

Check the legal details

You'll need to appoint a solicitor to make sure you're happy with the offer. If you don't have one, we've put together a panel you can choose from.



9

Enjoy your money

The whole process typically takes 8–12 weeks, but in some cases longer. We're with you every step of the way, making sure you know everything you need to.

You'll receive your money by BACS transfer from your solicitor.



Why choose us?

At Legal & General we put our customers at the heart of what we do. We know retirement planning can feel overwhelming, so we do everything we can to create a friendly, personalised experience for you.

- We've been helping our customers for over 185 years.
- We're one of the UK's leading financial services providers.
- Since 2015 we've lent £6.38bn* to over 113,000** customers.
- We provide specialist, no-obligation financial advice with no upfront fees.

* Uses initial advances, drawdowns and further advances. Completed and redeemed applications.

** Uses initial advances only. Completed and redeemed applications.

Our Lifetime Mortgages are award-winning

We won Moneyfacts® Best Equity Release Provider in 2021.



Best Equity Release Provider for our IRLM and OPLM Mortgages.

“It makes me feel great because we’re helping our family without having to sell our house or change our lifestyle. I guess we look at it in such a way that every day gets a little bit sweeter.”



How could a later life mortgage help me?

Our advice



Omar is one of our specialist later life mortgage advisers.

Here's some of the advice he gives to our customers:

“Lots of people think that it's only the very rich and wealthy that need to worry about inheritance tax planning.

“With average house prices in the UK hitting record highs, more and more people are finding themselves with a property valued above the inheritance tax threshold, meaning there may be a large inheritance tax charge due when they pass away.

“This often means that the family set to inherit need to sell the home, or raise the money needed elsewhere to meet the inheritance tax costs, all of which could perhaps be avoided with some inheritance tax planning at the right time.”

The benefits of taking out a later life mortgage can reach beyond just inheritance tax planning. It can give your loved ones a head start in homeownership, paying education fees, or just improving the quality of life for the whole family.

With more of us living longer, our loved ones often don't inherit until they're in their 50s or 60s, by which time they may not need it so much. And if you release money to gift to them while you're still around, it means you get to see them enjoy it.



Our advice

Although a later life mortgage could help provide the extra funds you need, taking one out is a big decision. That's why you must get financial advice, whether it's from us or another adviser, to ensure you only take out a product that's right for you.

Our advice team:

- Is made up of specialist advisers and Customer Service Agents, who will guide you every step of the way.
- We talk you through all your options.
- The advice they give you is confidential, and with no obligation to take out a later life mortgage. You can stop at any time.
- We'll tell you if a later life mortgage isn't right for you – for example, if there are cheaper ways for you to borrow money.
- We don't charge an upfront advice fee for our advice, and we make sure you understand every single cost involved before you complete your mortgage application.

If you're ready to find out more, call us for free on:

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**[legalandgeneral.com/
mortgageguide](https://legalandgeneral.com/mortgageguide)**



Frequently asked questions

It's normal to have questions. Here are some of the things our customers ask us.



I'm just not sure if a later life mortgage is for me

We've helped over 113,000 customers like you with a later life mortgage, but they're not right for everyone. That's why we don't allow our customers to take out a later life mortgage without first getting financial advice.

Our Legal & General advisers are there to help you make the right decision. We complete a free means-tested benefit check, to see if releasing funds will affect any payments that you're receiving. We'll even tell you if there are cheaper ways to borrow.



I don't want to be stung by hidden charges

We won't hide any charges. Instead, we'll explain them all to you when we speak, and give you a personalised quote that clearly shows these costs. We'll then leave you to read over it in your own time.



What will I have to pay?

We don't charge an advice fee. Instead, Legal & General Financial Advice (our advice service) receives a payment from Legal & General Home Finance (the product provider) when you complete your mortgage application. It's included in the overall mortgage charges and interest rate you pay.

Depending on the mortgage you choose, you may have to pay an arrangement fee.

There are other costs associated with taking out a later life mortgage, such as a separate valuation fee and legal costs.



Can I use a later life mortgage to pay off an existing mortgage balance?

Yes, and many of our customers do. You'll need to make sure the amount you're eligible to borrow will completely pay off your current mortgage balance – including any early repayment charges.

If you have other savings, investments or sources of income, you could use them as full, or part, payment towards this.



Will I still own my home?

Yes, your property stays in your name and the loan is secured against it. As with all our later life mortgages, you can stay in your home until you die or move into long-term care.

But you do have to meet your mortgage's terms and conditions. And if you can't keep up your monthly payments on a RIO or PTLM, as a last resort your home may be repossessed.



Can I move to a new house?

Yes, you can take your later life mortgage with you to a new home, so long as it meets our lending criteria. We'll need to give our consent, and you'll have to pay a valuation fee and any legal costs.



I want to leave an inheritance, will that be affected?

Taking out a later life mortgage reduces the amount of inheritance you can leave.

If it's important to you to leave something for your loved ones after you're gone, rather than before, we offer Inheritance Protection on our Lifetime Mortgages. This safeguards a percentage of your home's value, by reducing the amount you can borrow.

It's worth noting, if your home is valued above the inheritance tax threshold, there may be a large inheritance tax charge due to your family when you pass away. If you choose to gift some of the money you release, you may be able to give your family their inheritance early while you're still around to see them enjoy it. Depending on how you gift the money, they may have to pay inheritance tax in the future.



Will my family have to pay income tax on the gift I give them?

This depends on what they do with the cash. If they make any income from that cash gift, even if it's interest earned in a savings account, they may be liable to pay tax on it.



Will my family be left a debt to pay?

Lifetime Mortgage – No. Our No Negative Equity Guarantee means that they'll never have to pay back more than the amount the property is sold for, as long as it's sold for the best price reasonably obtainable and the terms and conditions of the mortgage have been met.

Retirement Interest Only Mortgage – If the sale of the property doesn't cover the outstanding mortgage, we look to your beneficiaries to settle the balance.

Payment Term Lifetime Mortgage – The No Negative Equity Guarantee will not apply to any missed monthly interest payments and the interest on them. If the sale of the property doesn't cover the outstanding mortgage, we look to your beneficiaries to settle the balance.



What is rolled-up interest?

It's simply interest charged on interest.

Our Lifetime Mortgages have rolled up interest. This means, if you decide not to pay some or all of the monthly interest on your mortgage loan, the mortgage loan amount will increase, along with the interest that's charged each month.

RIO mortgages don't have rolled-up interest because the interest payments are required each month.



What is an early repayment charge?

An early repayment charge is a fee you pay to your mortgage lender, if you want to pay your full loan back earlier than agreed.



What will happen to my means-tested benefits and tax position?

Your tax position and any means-tested benefits you receive are usually conditional on your income or wealth status.

A later life mortgage alters your financial position, which means you may no longer meet the qualifying criteria. Your adviser will be able to explain if or how your means-tested benefits or tax position could be affected.

Before our advisers make a recommendation, they'll run a free means-tested benefit check, to see if releasing funds will affect any payments that you're receiving, and will let you know if there are cheaper ways to borrow.

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