



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



See more of their story at

legallandgeneral.com/retirement/campaigns/Nigel-and-jenny

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/guideLTM

We've helped

59,979
customers

get a lifetime mortgage*.

*Legal & General Lifetime Mortgage customers, as at 31 October 2018.

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 help, by allowing you to release cash from your home so you can continue to enjoy living in it.

And if downsizing is the right choice for you, a lifetime mortgage could help here too. It could free up some of the money you need to close the contract, or cover moving costs, for example, so you can downsize or relocate to a home and an area that suit you. That's because your lifetime mortgage can move with you, subject to terms and conditions.

*Generation Stuck, McCarthy & Stone, 2016.



Some frequently asked questions

How much will it cost me?

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 about eight 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 already have an adviser, we can help.

We've chosen to work with The Retirement Lending Advisers (TRLA), a team of specialist advisers who have experience helping customers find out more about equity release.

They're not part of Legal & General – they're a separate company who exclusively advise on our Lifetime Mortgages. They'll help you understand your options and, when you're ready, help you arrange a no-obligation appointment. They won't charge you an advice fee.



Call TRLA free on **0808 231 4528**

Monday to Friday 9am to 5.30pm
They 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/guideLTM](https://www.legalandgeneral.com/guideLTM)



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



CTRLA18.6 (01.19) Q0054504 193625

Legal & General Home Finance Limited is a wholly owned subsidiary of Legal & General Group plc. Registered in England and Wales number 04896447.

Registered office: One Coleman Street, London EC2R 5AA. Legal & General Home Finance Limited is authorised and regulated by the Financial Conduct Authority.