

A photograph of an elderly couple embracing outdoors. The man, on the left, has white hair and is wearing a light blue polo shirt. The woman, on the right, has blonde hair, is wearing a white t-shirt and blue jeans, and a yellow straw hat. They are both laughing and smiling broadly. The background is a bright, sunny outdoor setting with a blurred landscape.

conran
mortgages

Equity Release mortgages

Our expert guide to releasing tax-free cash from your home

The retirement years should be filled with freedom to enjoy great times with your loved ones



Retirement comes at a cost and equity release mortgages can be a great way to release tax-free cash from your home to enjoy these years. This money can be spent on holidays, home improvements, helping your children or even your grandchildren. The fact is, you can spend as you so wish!

However, equity release mortgages need specialist advice and guidance; these mortgages are not right for everyone, and therefore independent expert help will guide you to the best solutions the market place has to offer.

It starts with a conversation with one of our equity release experts to help you fully understand if there are alternatives.

Equity Release in a nutshell

The equity in your property is the value of your home minus any outstanding mortgage or other loans secured against it.

Historically, the equity of one's home is passed on as an inheritance upon death, but nowadays, many retirees wish to do something with their equity at a time which suits them rather than wait for the inevitable!

We specialise in Lifetime Mortgages which is the most popular equity release product. There are a few options with this type of mortgage which we will cover in this brochure.

Are you eligible?

We stated earlier that a Lifetime mortgage is not for everyone. Ultimately, there are three main criteria for this type of mortgage;



You are aged 55- 95



You own your property



The property is mortgageable



You choose how you wish to spend the money

The most popular reasons for equity release mortgages are;



HOME IMPROVEMENTS



GRANDCHILDREN'S SCHOOL FEES



HELPING YOUR CHILDREN MOVE HOME



HOLIDAYS



REPLACE THE CAR



PAYING OFF THE EXISTING MORTGAGE



CLEARING DEBT



OVERSEAS PROPERTY

You should always think carefully before securing a loan against your property

Lifetime mortgage options

Equity release mortgages have evolved in recent times. The great news is that these, once expensive products, have become much more competitively priced as new entrants join the market. This has made them a popular choice in recent years. There are two types of lifetime mortgage;



Lump sum Lifetime mortgage

This type of Lifetime mortgage will release an initial tax-free lump sum for you to use however you wish. The agreed Interest is compounded and added onto the mortgage capital otherwise known as 'rolled-up interest'. The mortgage generally comes to an end upon death of the second mortgage applicant (if it is a joint mortgage) or the second mortgage applicant enters long-term care.



Drawdown Lifetime mortgage

This works similarly to the lump sum option whereby you receive the initial lump sum, but also you agree to a drawdown facility with the mortgage lender. You can then 'drawdown' the remaining cash in stages as and when suitable for your needs. The main benefit this option gives is that you only pay interest once you have drawn the cash meaning that the interest adds up more slowly ensuring there will be more equity left in your property for family.

Features of both plans



Equity Release Council

The Equity Release plans we recommend are typically approved by the Equity Release Council. All Equity Release Council Approved Lenders must follow strict Product Standards. Such as;

- Fixed-rate for the life of the mortgage. If a variable rate, there must be a maximum cap on the interest rate charged.
- The right to remain in your property for life or until you need to move into long-term care.
- The right to move to another property subject to the property being an acceptable form of security.
- No negative equity guarantee.
- Option to make penalty-free payments, subject to lending criteria.
- Legal Advice. A condition of securing the mortgage is that you must take independent legal advice to ensure that a solicitor explains all rights and obligations of the mortgage to protect you.



Downsizing Protection

Circumstances change, whether it be due to health or family reasons. Having this feature gives you the flexibility to move to a smaller home. Typically, you would repay the loan without penalty subject to the lender's criteria, then take a new mortgage on the new property. This should give you full peace of mind!



Inheritance protection

For many, leaving a cash legacy to their loved ones is paramount. This feature allows you to ring-fence a percentage of your property to ensure that, when your property is sold, a percentage of the property will go to your family and will not be affected by the interest which accrues. EXAMPLE: A couple who can take a Lifetime mortgage of £100,000 wish to ensure their family is left with 40%. They take £60,000, meaning that 40% of the property is 'protected'.



Partial capital repayments

When you have a rolled-up interest Lifetime mortgage the compounded interest accrues meaning the loan size increases. For example, if your interest rate were at 3% then the loan would double in just over 23 years. While this is an excellent option for someone who was asset-rich and cash-poor their preference, given a choice, could be to leave more equity for their family. A partial capital repayment option could be suitable if there were say an inheritance or a future investment matures. This option would typically allow a capital repayment up to a maximum of 15%.



Interest-only payment

This feature will allow you to make monthly interest payments to ensure the interest does not compound at the rate it otherwise would do on a rolled-up basis. Providers enable you to repay the full interest payment each month or a partial amount with the option to convert into a fully rolled-up scheme (known as a hybrid plan). This solution is only available to those who have expendable income. For example if someone aged 60 was working for another five years then it could be prudent for an interest-only Lifetime mortgage which converts to a fully rolled-up plan in five years when the income is reduced upon retirement.



Enhanced

If you, or your partner, have health conditions or are a smoker then it could be possible to release a higher percentage loan-to-value. Qualifying health issues include Heart issues, diabetes or high blood pressure. It is possible that the interest rate charged by the provider could be less too. Example: if you were 55 years old and the maximum LTV was 25% if you had high blood pressure and previously suffered from cancer, the maximum you could borrow could rise to 28.5%.

What our customers say?



Myself and my wife had a great experience with Jeff and Val. The husband and wife team were friendly, informative and reliable. Lovely people who know their stuff and talked us through everything. Jeff has over 30 years experience in the field so we felt he was getting the best deal for us. Whilst the final decision was always ours, Jeff wasn't afraid to give us advice based on his experience, which I found to be more useful than the 'its completely up to you' non-committal approach held by some other brokers.



Amazing service received from Conran Mortgages. The team was very patient, and there to answer my questions along the way. A++



Jeff and Valerie at Conran have always provided us with excellent service. In a very professional but also caring and empathetic way they go above and beyond to ensure they get the best possible outcome for you whilst always taking the time to listen to and address any concerns or questions you have. Thanks again both!



Hands down the best brokers out there. They tailor make their services to meet your specific needs and go above and beyond to make sure your needs are met. Genuine people with your best interest at heart!



How much cash can I release?

The amount you can release is based on the value of your house, your age(s), and your health. The older you are, the more cash a provider will allow you to borrow. As part of our initial conversation we can tell you exactly how much you can expect to borrow.

Is negative equity possible?

As experts in this field we would typically recommend products which are 'Equity Release Council (ERC) Approved'. The key benefit of ERC is that there is a no negative equity guarantee meaning that once the property needs to be sold there will not be a debt left for your estate to pay. This gives you peace of mind!

Conran will expertly navigate you through the process, step by step



SPEAK TO US **DISCUSS WITH YOUR FAMILY** **FIRST APPOINTMENT** **FINDING THE MOST SUITABLE PLAN** **SECOND APPOINTMENT** **PAPERWORK** **MORTGAGE OFFER ISSUED** **LEGALS** **COMPLETION** **CASH IN YOUR BANK ACCOUNT**

Our equity release expert will have an initial conversation and arrange for a meeting with you.

In the meantime we would encourage that you speak to your family about what you are looking to do. They are welcome to join the meeting if you are comfortable with this?

For us to advise you correctly and ensure a Lifetime mortgage is suitable for you we will need to know lots about you and what you want to achieve. This meeting is purely a fact-finding mission for us both; after all, you need to ensure we are the correct fit to advise you too.

If you feel Conran Mortgages are the best fit for you, then we will search the whole of market to find the most suitable plan, with the best interest rates, for you.

At this meeting we will present you our recommendation and provide you a personalised illustration for consideration.

We are not pushy salespeople so if you feel comfortable with our findings and you wish to go ahead then we will happily submit your application to the plan provider. Your property will need to be surveyed by an independent surveyor.

Once the plan provider is happy they will issue a formal offer which includes full terms and conditions of your plan.

You will need advice from independent solicitors to cover off all legal aspects.

Roughly 8 – 12 weeks is a typical timescale, although it cannot be guaranteed.

It's your money, go and enjoy yourselves and fulfil your retirement dreams.



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Conran Mortgages offer Lifetime mortgages, which is a loan secured against your home. Equity release will reduce the value of your estate and may affect your entitlement to means-tested benefits. You should always think carefully before securing a loan against your home.

Our equity release advice relates to plans with an initial advance of £60,000 and above. For any advances lower than £60,000, our fixed advice fee of £699 is only payable on completion.

Your home may be repossessed if you do not keep up repayments on a mortgage or any debt secured on it.

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We offer independent advice on Lifetime Mortgage products for Equity Release. We do not advise, nor hold permissions, to advise on Home Reversion Plans.