

# The Just Retirement Roll-Up Lifetime Mortgage

Equity Release

Technical Guide for Advisers

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The Roll-Up Lifetime Mortgage is designed to offer customers the independence to meet their requirements in retirement in a manner that maximises flexibility, long-term value and security.

In addition to competitive product terms Just Retirement is committed to providing top quality service and support for customers and financial advisers. A full range of technical support material is available from your Account Manager or from our website [www.justadviser.com](http://www.justadviser.com).



The Roll-Up Lifetime Mortgage offers a flexible **Cash Facility** against which planholders can draw down **Cash Advances** over their lifetime, to help them maximise enjoyment of their retirement while minimising the amount they owe.

### Eligibility

The Roll-Up Lifetime Mortgage is available to homeowners aged 60 or over in the UK. In the case of couples, the younger applicant must be aged 60 or over.

Applicants must be the sole owners of the property, either as joint tenants or tenants in common, and must use the property as their main residence for the term of the Plan.

In certain circumstances, Just Retirement will accept applications on behalf of individuals by attorneys where there is a suitable Enduring or Lasting Power of Attorney registered with the Court of Protection.

The minimum property value acceptable under the plan is £70,000.

### Initial Cash Advance

The minimum **Initial Cash Advance** is £10,000 and must be drawn on completion of the mortgage.

The **Initial Cash Advance** will be paid to the client account of the client's solicitor. If any part of the **Initial Cash Advance** is required to pay off an outstanding mortgage or loan, this amount will be paid directly to the named lender.

All payments will be made in Sterling.



## Cash Facility

Planholders are allocated a **Cash Facility** at inception. The maximum **Cash Facility** will be the lower of £600,000 (£250,000 in Scotland, Northern Ireland and Wales), the maximum **Loan To Value Factor** or three times the **Initial Cash Advance** subject to a maximum unused facility of £200,000.

The **Cash Facility** is guaranteed to be available for the life of the Plan unless one of the following four exceptional circumstances occurs:

- 1. There is an increase in the **Benchmark Interest Rate** of more than 5% (500 basis points) since the mortgage offer date*
- 2. The total **Cash Advances**, including any **Cash Advance** currently being proposed, plus rolled-up interest and any other charges exceeds the value of the property against which the mortgage is secured*
- 3. The property is not maintained in good condition, according to the conditions of the Loan Agreement*
- 4. Just Retirement no longer transacts mortgage business*

If the property is owned on a tenants in common basis, the **Cash Facility** will not be available following the death of either planholder.

Planholders can request **Drawdowns** from the **Cash Facility** at any time, subject to a minimum amount of £2,000, without the requirement to take further advice from an Authorised Financial Adviser.

Planholders can also set up **Regular Payments** at any time, subject to a minimum amount of £2,000. These payments are automatically made annually on the same date each year for a given period of years or until the **Cash Facility** is exhausted.

Both **Drawdowns** and **Regular Payments** can be requested by the client directly or via an Authorised Financial Adviser, in writing, by telephone, email or fax. There is no administration fee in either case.

Once the **Cash Facility** is exhausted, planholders can request **Further Cash Advances** at any time. These **Further Cash Advances** are subject to a minimum amount of £5,000 and will be subject to Just Retirement's lending criteria at the time. **Further Cash Advances** will require planholders to take advice from an Authorised Financial Adviser.

For **Further Cash Advances** only, a further valuation may be required. If this is necessary, Just Retirement will make a charge for this which will not exceed the normal valuation fee applicable to new business at the time. There is no administration fee for **Further Cash Advances**.

## Lifetime Income

Clients wishing to receive a guaranteed income for life can use our Lifetime Income Plan on preferential terms with the Roll-up Lifetime Mortgage.

This is a purchased life annuity on which the capital content is payable free of tax for life and the interest element is subject to tax at the savings rate for UK residents. Income can be paid monthly, quarterly, half-yearly or yearly with the option of capital protection on early death.

In addition to preferential terms, we can also offer enhanced income to individuals with a range of lifestyles and medical conditions. More than 1,500 conditions, either individually or in combination, could qualify for an enhancement. Contact our sales support team to find out more details on conditions which qualify.

## Valuation

A valuation of the property is required before an offer is made. The valuation will be provided by a surveyor nominated by Just Retirement. A copy of the valuation will be supplied to the applicants with the offer letter.

## Interest

The interest rate for each **Cash Advance** is fixed for the life of the mortgage. Interest is capitalised on the anniversary of each **Cash Advance**.

The initial interest rate is declared in the Key Facts Illustration document issued with the offer and is guaranteed for 6 weeks from the date of issue. If the mortgage is not completed within 6 weeks of the offer, then the offer will lapse. Any replacement offer that may be made will be in line with terms at the time, and consequently the interest rate may change.

For **Drawdowns** and **Further Cash Advances** after inception, the interest rate will be set at the time it is requested and planholders will be informed in writing. This interest rate will also be guaranteed for 6 weeks from the date the confirmation is issued. If the **Drawdown** or **Further Cash Advance** is not drawn within 6 weeks of the confirmation, then the offer will lapse. Any replacement offer that may be made will be in line with terms at the time, and consequently the interest rate may change.

For **Regular Payments**, the interest rate is set 6 weeks before the date each payment is due to be made. This will be confirmed in writing and will be subject to the planholder's acceptance of the terms of payment.

## Fees, commission and charges

For current fees, commission and charges, please ask for a copy of Equity Release At a Glance. A tariff of charges is also available on request.



## Moving home

If planholders wish to move home, it will be possible to transfer the Roll-Up Lifetime Mortgage, provided the new property meets Just Retirement's criteria for acceptable properties at the time.

The sale of the old property and purchase of the new property must take place simultaneously.

If the new property has a higher value than the old property, it may be possible to increase the **Cash Facility** or apply for **Further Cash Advances**, subject to lending criteria applicable at the time.

If the new property has a lower value than the old property, the **Cash Facility** or **Cash Advances** plus rolled up interest may have to be reduced and will be reviewed in line with lending criteria applicable at the time. Any excess will have to be repaid. If more than one **Cash Advance** has been drawn, the excess amount to be repaid will be allocated pro rata across all **Cash Advances**. There will be no **Early Repayment Charge** in these circumstances. If planholders choose to repay more than is required, an **Early Repayment Charge** will apply only to the extra amount.

The new property will be subject to valuation by Just Retirement. The valuation fee will be the fee applicable to a new Roll-Up Lifetime Mortgage at the time of purchase.

The planholder is responsible for all the costs of moving.

## Repayment of the Mortgage

The Roll-Up Lifetime Mortgage is repayable on death, or entry into long-term care (of the last surviving plan holder) or when the property is sold for any other reason.

The mortgage may also have to be repaid if the property is left vacant for a period of more than 3 months. Usually the mortgage will be repaid from the proceeds of the sale of the property but it can be repaid from other funds if required.

## Repayment on Death or Entry into Long-Term Care

The amount repayable on death or entry into long-term care (of the last surviving plan holder) is the total of all **Cash Advances** plus charges plus interest rolled-up to the date the mortgage is repaid.

Just Retirement may force a sale of the property if the mortgage is not repaid within 12 months of the date of death or entry into long-term care.

## Voluntary Early Repayment

The Roll-Up Lifetime Mortgage is designed as a long-term arrangement to last for the lifetime of the clients and should not be used to raise money for the short-term.

On early repayment, the amount to be repaid is the amount owing at the time plus an **Early Repayment Charge**. The calculation of the **Early Repayment Charge** depends on the movement in the **Benchmark Interest Rate** between the date of offer and repayment for each **Cash Advance**. The **Early Repayment Charge** in respect of each **Cash Advance** will not exceed a proportion of that **Cash Advance**, currently set at 20%. Just Retirement reserves the right to change this proportion for **Cash Advances** in the future.

An **Early Repayment Charge** figure will be calculated for each **Cash Advance** and aggregated to give a total early repayment amount.

Partial repayments are acceptable, subject to a minimum of £2,000. If more than one **Cash Advance** has been drawn, the amount repaid will be allocated pro-rata across all **Cash Advances** by reference to the amounts owing in respect of each **Cash Advance** at the time. An **Early Repayment Charge** will then be calculated for each **Cash Advance** taking into account the allocated repayment.

An **Early Repayment Charge** will never apply:

- on death of the last surviving planholder
- if the planholders move into care for reasons of permanent incapacity (subject to the provision of medical evidence satisfactory to Just Retirement)
- on moving home, if the mortgage is transferred as described above (p5)

For further details and examples, please ask for a copy of our Early Repayment information sheet.

## No-Negative Equity Guarantee

The No-Negative Equity Guarantee (NNEG) will apply on sale of the property in all cases\*, provided the property has been maintained in good condition.

In all cases, if the No-Negative Equity Guarantee applies, an independent valuation of the property will be required.

On sale of the property following death or moving permanently into care, if the property value is less than the accumulated **Cash Advances** plus charges and rolled-up interest, the proceeds of the sale, less reasonable costs, will be accepted as settlement of the mortgage.

On early repayment of the mortgage following sale of the property in other circumstances, if the value of the property is less than the accumulated **Cash Advances** plus charges, rolled-up interest and **Early Repayment Charge**, the proceeds of the sale, less reasonable costs, will be accepted as settlement of the mortgage.

\*If the mortgage is repaid using assets other than the sale of the property, the No-Negative Equity Guarantee does not apply.

## Insurance

Buildings Insurance must be maintained on the property while the mortgage is in force. We will require confirmation of this, but will not levy any additional charge for checking the policy.



## Glossary

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<b>Benchmark Interest Rate</b>	This is an interest rate (based on the FTSE 15 Year Gilt Index) used by Just Retirement in calculating any <b>Early Repayment Charge</b> .
<b>Cash Advance(s)</b>	Any amounts advanced to planholders under the Roll-Up Lifetime Mortgage.
<b>Cash Facility</b>	The total amount of <b>Cash Advances</b> guaranteed to be available to planholders for the life of their Plan, subject to exceptional circumstances.
<b>Drawdown</b>	Ad hoc <b>Cash Advances</b> made to planholders from the <b>Cash Facility</b> they have been granted.
<b>Early Repayment Charge</b>	A fee applied by some companies should the client choose to repay their mortgage early. This charge is only applicable in certain instances and will vary from provider to provider.
<b>Further Cash Advance</b> of	A further <b>Cash Advance</b> is an additional payment made to equity release plan holders in excess of the <b>Cash Facility</b> agreed at the start of the policy.
<b>Initial Cash Advance</b>	The amount paid to plan holders at the start of their equity release plan.
<b>Loan To Value Factor</b>	The maximum percentage of the property value that may be available, based on the age of the youngest applicant.
<b>Regular Payment</b>	Pre-agreed annual <b>Cash Advances</b> made to equity release planholders from the <b>Cash Facility</b> they have been granted.

## Documentation

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To process an initial application we will require the following:

1. **Completed Application Form** (including completed Money Laundering Declaration)
2. **Cheque for Valuation Fee**
3. **Evidence of Age** (birth certificate, passport or photo driving licence for each applicant)

We will then arrange a valuation of the property and issue an offer as appropriate, together with:

1. **Offer Key Facts Illustration**
2. **Legal Charge**
3. **Loan Agreement**
4. **Guidance Notes for Solicitors**

These details are correct at the time of printing and are subject to change from time-to-time. Full details of the terms applicable to individual cases are detailed in the Loan Agreement. For an individual quote, please contact your Just Retirement contact or e-mail us at [ifasupport@justretirement.com](mailto:ifasupport@justretirement.com)

IFA Sales Support Tel: **0845 302 2287**

IFA Sales Support Fax: **0845 301 2287**

Lines are open Monday – Friday,  
8.30am to 5.30pm.

Alternatively you can email

**[ifasupport@justretirement.com](mailto:ifasupport@justretirement.com)**

Or check out our website for further  
information at **[www.justadviser.com](http://www.justadviser.com)**

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