



Using the value in  
your home for a  
better retirement

Equity Release

Just Retirement's Roll-up Lifetime Mortgage  
The easy way to improve your retirement



## Who is Just Retirement?

As our name suggests, Just Retirement is a specialist company focused on improving the incomes of clients approaching or in retirement.

We do this by working with Financial Advisers to increase your understanding of the options and choices to optimise your retirement income.

There's also the reassurance of knowing that when you take out an Equity Release plan with Just Retirement you are dealing with a company that your Financial Adviser recognises as a trusted name in providing retirement solutions.

Our commitment to **Treating Customers Fairly** is embodied in all aspects of our service from the information we provide, through the application process, to the point where payments are first made and throughout the entire time that you have your equity release plan with us.



### Treating Customers Fairly

Just Retirement is regulated by the Financial Services Authority (FSA) and fully embraces Treating Customers Fairly as set out by the FSA. This is designed to ensure that customers receive clear information, advice and benefits that are relevant to their needs.

## Safe Home Income Plans (SHIP)

Just Retirement is proud to be a SHIP member and we are fully committed to meeting every aspect of their code of practice.

SHIP is an industry body dedicated to the protection of plan holders and the ethical marketing of equity release. If you decide to release equity from your home, you should be aware of the benefits of dealing with SHIP members.

Members of SHIP agree to comply with a code of practice that means you receive the following valuable guarantees:

- To allow customers to remain in their property for life provided the property remains their main residence.
- A "no negative equity" guarantee which means that you will never owe more than the value of your home and no debt will be left to the estate.
- The right to move your plan to another suitable property without financial penalty.
- Member companies of SHIP must also give you clear information on every aspect of the equity release plan and this must include your rights and obligations.
- Your legal work will always be performed by a solicitor of your choice.





## Equity release

This guide gives you information on how the Roll-up Lifetime Mortgage can help bring you the financial freedom that equity release can offer.

Retirement is a time for making important choices and decisions about how best to maximise your income. You may already have a pension and savings. But are they enough to live on?

If you have equity in a property you own, one option to improve your finances in retirement is equity release.

Our equity release plan allows you to release some of the cash locked up in the value of your home, without having to move, or cut back on your lifestyle.

- **Unlock the value of your home.**  
Most homeowners in, or approaching, retirement have money tied up in their properties. Releasing some of this value could improve your lifestyle in retirement.
- **No need to move.**  
You can continue to live in your home and benefit from any further increases in value.
- **A more comfortable retirement.**  
You can enjoy your retirement safe in the knowledge that you'll have access to extra money when you need it.
- **Take a cash lump sum.**  
Spend the money as you please – consolidate your debts, make home improvements, help family members or make one-off purchases, in fact whatever you want.
- **Draw money on a regular basis.**  
Flexibility to 'drawdown' payments regularly each year or ad hoc to boost your finances.
- **A considered approach.**  
Equity release requires careful consideration. This is where your Financial Adviser and Just Retirement can help.
- **Please think carefully before securing other debts against your home.**



## Is the Roll-up Lifetime Mortgage right for you?

Deciding to take up an equity release plan is a big decision. Making the right choice is vital as you have several options. So you have some important questions to ask yourself before you proceed – **including:**

# 1

### Do I fully understand what it is?

The Just Retirement Roll-Up Lifetime Mortgage, as the name suggests, is a mortgage that enables homeowners to release some of the value of a property they own either as:

- a. a one-off, tax-free lump sum  
**and/or**
- b. ad hoc payments from an arranged cash facility  
**and/or**
- c. yearly payments from the cash facility, up to the limit of the cash facility.

Like all mortgages, you borrow money which will need to be paid back. The Roll-up Lifetime Mortgage is a lifetime charge against your property that allows the release of equity from your home without the need to make monthly repayments. Interest however will accumulate each year on a compound basis meaning that interest is charged each year on the amount of the loan as well as interest accrued in previous years. The more years that pass before the loan is eventually repaid, the bigger the final total interest charge. The total loan plus accrued interest is repaid from the proceeds of the sale of your property when you die or if you move permanently into long term care. If you decide that you would like to move house you can transfer this lifetime mortgage to another property subject to our lending requirements.

The interest rate is set at the time you draw each advance and is fixed for the life of the mortgage.

# 2

### Am I eligible?

In general terms, to be eligible for the Roll-up Lifetime Mortgage all applicants must:

- a. Be aged over 60 years old
- b. Own a property\* in the UK valued at £70,000 or over which is your main residence.

\* Some types of property are not eligible. Ask your financial adviser or see our guide to acceptable properties.

# 3

### How much money can I release and how?

The Just Retirement Roll-Up Lifetime Mortgage offers you the flexibility to suit your needs in retirement.

The value of the cash facility that you can receive is determined by your age and the value of your home. The amount you decide to release initially may also have an impact on this.

The minimum initial cash advance is £10,000. On requesting your initial advance, we will advise you on your remaining cash facility. The maximum cash facility will be the lower of £600,000 (£250,000 in Scotland, Northern Ireland and Wales), the maximum LTV (Loan to Value) or three times the initial cash advance subject to a maximum unused facility of £200,000.

You are free to use your remaining cash facility either on a annual or ad hoc basis, subject to a minimum amount of £2,000 per release.



# 4

## What costs are involved?

There are several costs you may incur:

**Valuation fee:** Payable by cheque, with your application.

**Set up fee:** This can be paid by cheque up-front or can be added to the value of the loan.

**Specialist report:** If required for any reason, you will need to cover the cost of any specialist reports required as part of our lending criteria.

**Legal fees:** You will be responsible for your own legal fees.

**Authorised financial adviser:** You may be charged a fee for the advice they provide you.

You will receive a personal illustration that details the individual costs associated with your Just Retirement Roll-up Lifetime Mortgage. A tariff of charges is available on request.

# 5

## Will it affect my State benefits?

Some benefits may be affected by the decision to release equity in your home, as they are subject to means testing, such as Pension Credit, Council Tax Benefit and Health Benefit.

You should make sure you have all the facts before you decide to proceed.

Ask your Financial Adviser for more guidance.

# 6

## Have I discussed my plans with my family?

Keeping your family informed about your potential plans is always a good idea.

Some family members may be happy for you to consider equity release, others may have reservations. Remember, when you die, the repayment of the mortgage and interest will reduce the value of your estate. So it's important to check out all your options carefully.

### Ensure that you receive professional advice

This is a Lifetime Mortgage. To understand the features and risks ask for a personalised illustration



## How does Just Retirement's Roll-Up Lifetime Mortgage work?

- We will let you know what your maximum cash facility will be. This depends on a number of factors including your age and the value of your property. You can then decide how much of this cash facility you wish to draw on initially. This is called the initial advance.
- Once you've decided on the amount of the initial advance, you will be granted a cash facility which will be three times the amount of the initial advance, the initial advance plus £200,000 or your maximum cash facility if this is lower.
- You are free to draw on your remaining cash facility at any time in the future by requesting a one-off, or regular annual cash payments. If you decide to take any payments in the future, a new fixed interest rate will be applied for that new cash advance.
- Interest accumulates on the amounts you have withdrawn over your lifetime and the total loan plus accrued interest is repaid from the proceeds of the sale of your property when you die or if you decide to move permanently into long-term care.
- Please note that there are exceptional circumstances, which may reduce your cash facility, such as a significant fall in property prices. These are explained in full in your personalised key facts illustration.

The following examples demonstrate how the interest rolls up over a period of time when borrowing £68,900 and the potential saving that can be made by using your cash facility as and when required. The mortgage can run for longer or shorter than that shown and if it runs longer the interest will continue to increase. Interest rates can increase which may off set some savings made.

	Example A	Example B	Example C				
Initial Advance Amount	£68,900	£35,000		£35,000			
Withdrawals from remaining facility	£0		£33,900		£13,900	£10,000	£10,000
Example Interest Rate*	6.65%	6.65%	6.75%	6.65%	6.75%	6.85%	6.95%
Year Purchased	£68,900	£35,000		£35,000			
2 years	£78,368	£39,810		£39,810			
4 years	£89,138	£45,281		£45,281	£13,900		
6 years	£101,387	£51,503	£33,900	£51,503	£15,840		
8 years	£115,320	£58,581	£38,631	£58,581	£18,050	£10,000	
10 years	£131,168	£66,631	£44,022	£66,631	£20,569	£11,417	
12 years	£149,193	£75,788	£50,166	£75,788	£23,440	£13,035	£10,000
14 years	£169,696	£86,203	£57,167	£86,203	£26,711	£14,882	£11,438
16 years	£193,016	£98,049	£65,145	£98,049	£30,439	£16,990	£13,083
18 years	£219,541	£111,523	£74,236	£111,523	£34,687	£19,397	£14,965
20 years	£249,710	£126,848	£84,596	£126,848	£39,528	£22,146	£17,118
Total Accumulated Debt (after 20 years)	<b>£249,710</b>	<b>£211,444</b>		<b>£205,640</b>			
Potential saving (after 20 years)	<b>0</b>	<b>£38,266</b>		<b>£44,070</b>			

**Example A** - All the available cash facility is taken as one lump sum. **Example B** - £35,000 of the available facility is taken initially and the remaining part 6 years later. The interest rate has increased by 0.1% between the cash advances. **Example C** - £35,000 of the available facility is taken initially and the remaining facility is taken in ad-hoc withdrawals between years 4-12. The interest has increased by 0.1% between each cash advance

\* The interest rates used are for illustration purposes only. The actual rate charged will be at the prevailing rate at the time of each advance. Examples based on a on a 65 yr old with a property valued at £260,000. The maximum facility available is £68,900 based on a 26.5% Loan to Value. The examples assume the Set Up fee is paid on application.



## What if your circumstances change

When you die or move into long-term care, the total mortgage outstanding, including interest, must be repaid. This amount is usually covered from the proceeds of the sale of your property but remember that a 'no negative equity guarantee' means that you will never owe more than the value of your home and no debt will be left to the estate.

There will be no early repayment charge:

- when you die
- when you move permanently into long-term care (we reserve the right to ask for medical evidence)
- when you move home or you make a part repayment because you move to a home of lesser value and you transfer your mortgage to your new home.

In the event you repay the mortgage early for other reasons, there may be an early repayment charge. This charge is to protect us against the financial consequences of your decision not to keep the mortgage for the full term. On current terms, this charge will be between 0% and 20% of each cash advance. If the Benchmark Interest Rate\* has fallen, the charge will be towards the higher end of this range, but if the Benchmark Interest Rate has risen, the charge will be towards the lower end and could be zero. Please ask your adviser to explain this in detail.

\*The Benchmark Interest Rate is the interest rate based on the FTSE UK Gilts 15 Year Yield Index.

## Things to remember

- Interest accumulates only on amounts that you borrow and not on the remaining cash facility.
- The total amount you owe, plus any accrued interest will be repaid from the eventual sale of the property, when you die or should you move into permanent long term care.
- As with most mortgage arrangements, it's a decision which you will need to consider carefully, a key factor in your planning for retirement.
- It's a long-term commitment, designed to be paid back only when you die or move permanently into long term care.
- Equity Release is not right for everyone and may affect your entitlement to state benefits and will reduce the value of your estate.

## Next steps

We hope you found the information we have provided useful, and that it has helped you to understand Just Retirement's Roll-up Lifetime Mortgage.

Talk to your financial adviser who can recommend the most suitable option for you.

We look forward to helping you achieve the retirement you deserve.

For more information please visit: [www.justretirement.com](http://www.justretirement.com)

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Telephone: 0845 302 2287

Lines open 8.30am - 5.30pm Monday - Friday. Calls are charged at local rates and may be recorded and monitored for training purposes.



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