



EQUITY RELEASE

WHAT IS EQUITY RELEASE?

Buying a house is one of life's biggest decisions. Having saved hard, and committed to paying a mortgage for years, your home is likely to be your greatest financial asset. As retirement nears, you may be exploring ways to fund your lifestyle and your home may provide the solution.

As a homeowner, you could sell your house and downsize to release your capital. If you want to stay put, Equity Release is an option to explore.

The Equity in your home is the value of your home minus any outstanding mortgage and loans secured against it.

Equity Release allows those aged 55 years and older, to obtain a tax-free lump sum or monthly payment. There are two main types of Equity Release; Lifetime Mortgage or Home Reversion Plan.

All Equity Release plans are regulated by the Financial Conduct Authority (FCA). You should only consider providers who are Equity Release Council members, as they have agreed to a set code of conduct. These include allowing you to remain in your home for life and a negative equity guarantee ensuring that the debt can never pass on to your family.

A BRIEF SUMMARY OF LIFETIME MORTGAGES

Lifetime Mortgages are a means of securing a loan against your property. The loan and interest are repaid when you die or move permanently into a care home. There are options to repay the interest monthly so that the original loan is the only outstanding payment.

A BRIEF SUMMARY OF HOME REVERSION PLANS

Home Reversion Plans are where a percentage of your property is sold to a provider. Their payment provides you with equity and you continue to live in your home rent-free. When your house is sold, the proceeds are divided accordingly. As the options for Equity Release have increased, this type of plan has become less popular.

IS EQUITY RELEASE RIGHT FOR YOU?

The suitability of any plan, along with the amount of equity that can be released, is dependent on many factors. A confidential discussion with an independent Equity Release adviser will help answer your questions. It will also help to determine which options are best suited to your needs.

An initial appointment with an adviser should be seen as an opportunity for both parties to gather information. At J Finance, the initial appointment is at no cost and there will be no pressure to make a decision or obligation to proceed. We encourage you to discuss the information with family members or trusted friends and we are happy for them to be present with you at all appointments.

Equity Release is not the answer for everyone and it should be considered in detail, alongside other means of accessing finance.



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HOW WOULD YOU SPEND AN EQUITY RELEASE LUMP SUM?

With Equity Release, you can opt to receive a regular, tax-free monthly payment. This can help you to retain your current lifestyle through retirement.

Alternatively, you might opt to receive the payment in a tax-free lump sum. This can provide the opportunity to do something out of the ordinary. What dreams would you love to fulfil?

SUPPLEMENTING RETIREMENT INCOME

Whilst Equity Release will reduce the value of your estate, it can enable you to live life to the full. If this sounds like the retirement that you wish to enjoy, book a free, no-obligation appointment with one of our independent Equity Release advisers

MAKING PLANS

Many people look forward to enjoying later life, some popular ways of spending an Equity Release lump sum are booking a holiday of a lifetime or purchasing a holiday home. Others might prefer to invest in home renovations, such as installing a new bathroom with a walk-in shower. What about purchasing a new car, landscaping the garden or equipping a garden workshop for your new hobby?

CLEARING DEBTS

For some people, Equity Release provides a solution for paying off outstanding mortgages, credit card debt and other loans. With that weight off their minds, they can enjoy a more relaxed retirement.

GIFTING YOUR EQUITY

For many homeowners, their property is a means of providing children and grandchildren with an inheritance. Equity Release enables you to provide them with a financial gift a little earlier. This could be helping to provide for a deposit on a home or paying for a special family holiday.



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HOW FLEXIBLE IS EQUITY RELEASE?

There is more than one option for releasing the equity in your home. We all have different priorities and requirements, so the right plan will be tailored to suit you.

An independent equity release adviser at J Finance will take the time to fully understand your requirements. In addition to answering any of your questions, the adviser will ask questions about your current situation and future plans. This will help them to recommend a tailored:

- **Lump Sum Lifetime Mortgage Plan** or
- **Draw Down Lifetime Mortgage Plan**

Before your initial appointment with your adviser, it can be useful to consider how much you need and what you will use the money for.

There may be more suitable ways to access finance, particularly for short term needs. The adviser can suggest other options if Equity Release does not appear to fit your circumstances.

FLEXIBLE EQUITY RELEASE OPTIONS

INTEREST PAYMENTS

With a Lifetime Mortgage Plan, interest is charged on the loan, so the more you borrow, the higher the total cost of borrowing. There is great flexibility in how much you repay each month and the duration of repayments, so consider what you can realistically afford to pay. If you prefer, monthly interest can be added to the final debt. Your adviser will explain the pros and cons of this option.

INHERITANCE PROTECTION

Many people have concerns about what they will have left to leave to their family. Some Lifetime Mortgage Plans offer the option to ring-fence an agreed percentage of your property to ensure it is passed down to the next generation.

MOVING HOUSE

If you are uncertain about whether you will stay in your current home, downsizing protection offers greater flexibility. Some Equity Release Plans can transfer with you to another property. If you are considering moving in the near future, it might be advisable to wait until you have relocated.

PLANS AND FEATURES

There are a variety of Equity Release plans with specific features. With clear information from our independent adviser, you can compare different options. You are then in a strong position to decide whether or not Equity Release is the best way to fund your retirement plans.



EQUITY RELEASE

THE EQUITY RELEASE PROCESS

If you are considering Equity Release as a way of gaining greater financial security through your retirement, what is the process?

TALK TO OTHERS

A good starting point is to talk to trusted friends and family. They may have views on Equity Release or personal experience to share. They might raise points that you haven't yet considered or put forward questions that you could ask in an appointment with an independent Equity Release adviser.

BOOK AN INITIAL APPOINTMENT

An initial appointment with J Finance is a chance to discuss your options with one of our experts. There is no obligation to proceed; we recommend that you do not make any decisions during the initial appointment.

Before the appointment, have a clear idea about how much you would like to release and what you would spend the money on. Be prepared to ask and answer questions. Any information you share will be treated in the strictest of confidence and is used purely to help find the most suitable plans.

REVIEW THE RECOMMENDED EQUITY PLANS

Our Equity Release adviser will recommend options that best fit your needs. They will provide you with clear and transparent information, so you can make informed decisions. It can be useful to review the details with family or trusted friends.

You may decide that an Equity Release plan is not right for you at this time. If, however, it could enable you to tap into the wealth within your home, it is time to book a follow-up appointment.

FOLLOW UP APPOINTMENT

The follow-up appointment is focused on moving things forward. It clarifies your understanding of the chosen plan and explains the process involved.

COMPLETION OF PAPERWORK

With your approval, the paperwork for the chosen policy has to be completed and sent to the lender. At this time, an appointment will be arranged for a surveyor to visit your property to assess its value.

OFFER ISSUED

If the lender is happy that you, your property and the paperwork meet their requirements, they will issue an offer with full terms and conditions for you to agree.

LEGAL PROCESS UNDERTAKEN

You will need to appoint a solicitor to read through the offer and complete the legally binding agreement between you and the plan provider. You will have to pay a solicitor's fee for this service. Some will charge an hourly rate; others offer a fixed price for the process.

MONEY IS RELEASED

With the legalities completed, it typically takes 8 - 12 weeks to complete the process. The lump sum or first of the agreed monthly instalments is then released into your designated bank account. This is your money to spend as you wish.



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EQUITY RELEASE FAQs

It is wise to ask plenty of questions when it comes to any major financial decision. Equity Release is no different. To help you evaluate whether this is the right option for you, here are our responses to some frequently asked questions.

IS EQUITY RELEASE ONLY AVAILABLE TO THOSE WHO OWN THEIR HOUSE OUTRIGHT?

No, if you still have a small percentage of your mortgage outstanding, the option of Equity Release is available. You will, however, be obliged to use some of the money released to repay the mortgage.

IF I OPT FOR EQUITY RELEASE, WILL I STILL BE THE HOMEOWNER?

With Lifetime Mortgage plans, you remain the official homeowner and can live in the property for the rest of your life. With Home Reversion Plans, a percentage of your home is sold to the provider, but you can live in the property rent-free.

HOW WILL THE VALUE OF MY HOME BE ASSESSED?

An independent surveyor will assess the value of your property. They will agree a convenient time to visit. Any property must be valued at over £70,000 to be considered for Equity Release.

IS THERE A RISK OF FALLING INTO NEGATIVE EQUITY?

No, all providers that we recommend will be members of the Equity Release Council. They follow set guidelines which include never reclaiming more than the value of the house on death or move to long term care.

WHAT HAPPENS IF I DECIDE TO MOVE HOUSE?

It is possible for those with Equity Release plans to move house. The plan provider is likely to include some restrictions in the terms and conditions, so it is important to be clear about these before legally approving the plan.

CAN I STILL LEAVE MY PROPERTY AS AN INHERITANCE FOR MY FAMILY?

There are options to ring-fence a percentage of your property. This sits outside of the Equity Release plan and can be left in your will. If this is a priority for you, your adviser will explain how this works and answer any questions that you have.

ARE THERE ANY ADDITIONAL COSTS?

Whilst the initial appointment is free, there will be a charge for the follow-up appointment with an independent Equity Release adviser. You will also need to pay a solicitor to manage the legalities of Equity Release.



EQUITY RELEASE

WHY USE J FINANCE FOR EQUITY RELEASE PLANNING?

J Finance is an established company of financial experts. Reviews of our services show that we are a trusted provider to customers across Central and Southern England as well as further afield.

As a team, we take pride in helping our clients to understand financial jargon. We take time to listen to every client's situation; your aims and your concerns.

We can then provide advice on Equity Release plans that:

- Provide greater financial security
- Release the finances to live life to the full and make memories
- Meet their requirements and address their concerns
- Adhere to Equity Release Council standards

We are independent Equity Release advisers. We do not favour any provider; our priority is to find you the best plan for your circumstance. We are happy to signpost you to other finance options if they are relevant.

We offer an initial appointment without charge. This is an opportunity that allows us to understand your situation and discuss your options. It will also help you get answers to your questions.

Should you decide to go ahead, there will be a fee payable. Your adviser will discuss this with you at your initial meeting. In exchange for this fee, we:

- Provide clear and transparent information
- Offer Independent expert advice
- Check your full understanding of the details and process
- Do not pressure you into action
- Implement the next stage of the process, if you decide to go ahead

We are based in Newbury. Appointments can be made in our office or one of our Equity Release advisers can visit you in your home, where ever you live.



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MEMBER OF THE EQUITY RELEASE COUNCIL



J Finance is a member of the Equity Release Council. As such we abide by a Statement of Principles which have been designed to safeguard customers and deliver the highest standards of service. We will only recommend Equity Release lenders who have also committed to operating under the council's rules.

All of our services are also authorised and regulated by the Financial Conduct Authority (FCA).

TO ARRANGE YOUR INITIAL EQUITY RELEASE APPOINTMENT, PLEASE CONTACT J FINANCE ON 01635 521300 OR EMAIL CONTACT@JFINANCE.CO.UK

Releasing equity from your property is an important decision to make. Equity Release can affect the future inheritance of your beneficiaries, not to mention your own finances. Therefore, it's important that best advice is sought due to the complexity and variations between all Equity Release schemes.