

Your Home, Your Life.

The Complete UK Guide to Lifetime Mortgages

Welcome

Thank you for downloading this guide. It has been prepared to give you a clear, balanced introduction to lifetime mortgages — what they are, how they work, who they suit, and what to consider before you take the next step.

Our team of independent advisers works solely in your interest. We compare products from across the whole market, explain all costs up front, and never charge you anything for an initial consultation. This guide is the starting point — whenever you are ready, we are here to help you make a decision that is right for you and your family.

"Your property will remain entirely in your ownership. The funds you receive carry no obligation for monthly repayments."

What is a Lifetime Mortgage?

For most people aged 55 and over, their home is their single most valuable asset — often worth far more than any pension or savings pot. A lifetime mortgage lets you unlock some of that value as tax-free cash, while continuing to live in and own your home for the rest of your life.

Technically, a lifetime mortgage is a loan secured against your property. You can receive the money as a lump sum, as regular drawdown payments, or a combination of both. Unlike a conventional mortgage, there are **no compulsory monthly repayments**. The loan — plus any rolled-up interest — is repaid from the sale of the property when the last borrower passes away or moves into permanent long-term care.

The product is designed so that, at the point of repayment, the value of the property in most circumstances comfortably exceeds the outstanding debt, leaving a surplus for your beneficiaries.

How It Works — Step by Step

01 Your property is valued

The amount you can release depends on your age and your property value. The older you are and the more your home is worth, the higher the available amount.

02

You choose how to receive the funds

Take a single lump sum, set up a drawdown reserve to dip into as needed, or combine both. Many plans also allow optional monthly interest payments.

03

Interest is charged

Interest is fixed for life at the rate agreed on completion. If you choose not to make repayments, interest rolls up and is added to the loan balance.

04

The loan is repaid later

When the plan ends, the property is sold, the loan and accumulated interest are repaid, and any remaining equity passes to your estate.

Eligibility Criteria

Every lender has its own requirements, but the typical minimums are:

- Aged **55 or over** (some lenders require 60+).
- Own a UK residential property valued at **£70,000 or more**.
- The property must be your main residence and in a reasonable state of repair.
- If there is an existing mortgage, it must be small enough to be repaid from the lifetime mortgage proceeds at completion.

How Much Can You Release?

The available amount — known as the Loan-to-Value (LTV) — typically ranges from **20% to 60%** of your property's value, depending on your age and the lender. As a general guide:

Age	Typical Maximum LTV
55–59	Up to 25–30%
60–64	Up to 30–35%
65–69	Up to 35–42%
70–74	Up to 42–50%
75+	Up to 50–60%

We provide a free, no-obligation personalised illustration so you can see exactly what is available for your specific property and circumstances.

How Can You Use the Money?

The released equity is yours to use however you choose. Common uses include:

- Supplementing retirement income to live more comfortably day to day.
- Clearing an existing mortgage or other outstanding debts.
- Funding home adaptations — such as a stairlift, wet room, or extension.
- Paying for care at home or a care home placement.
- Helping children or grandchildren with a house deposit or education costs.
- Taking a holiday, buying a new car, or simply enjoying retirement.
- Investing or creating an emergency financial reserve.

What Does It Cost?

Lifetime mortgages are regulated by the **Financial Conduct Authority (FCA)**. Lenders must provide a clear, standardised illustration of all costs before you commit to anything.

Typical costs to be aware of:

- **Valuation fee** — usually £150–£600, paid once you decide to proceed.
- **Solicitor's fees** — independent legal advice is a mandatory part of the process and is there to protect you. Typically £500–£1,500.
- **Arrangement fee** — some lenders charge a product fee, which can usually be added to the loan.
- **Adviser fee** — our initial consultation is always free. We are transparent about any fees before you proceed.

There is **no Stamp Duty** payable on a lifetime mortgage. All fees are clearly set out in your personal illustration so there are never any surprises.

You Keep Full Ownership of Your Home

One of the most important things to understand is that a lifetime mortgage does **not** transfer ownership of your property. You remain the legal owner for life, which matters for two key reasons:

1. **Property growth works in your favour.** UK residential property has historically appreciated over the long term. If your home's value rises, that growth can offset some or all of the interest that accumulates.
2. **You retain full flexibility.** You can continue to live in and enjoy your home. You can rent out a room, downsize and repay the loan early (early repayment charges may apply), or leave the property to your heirs — all while retaining the benefit of any equity above the loan balance.

In Summary

- You receive a **tax-free** lump sum or drawdown facility.
- **No compulsory monthly repayments** — ever.
- You **retain full ownership** of your property.
- The loan and interest are only repaid when the plan ends.
- Your estate will receive any surplus equity above the loan balance.
- **No Negative Equity Guarantee** — you will never owe more than your home is worth (all Equity Release Council member products carry this guarantee).

"I retired at 67 with a good pension, but with energy bills and the cost of living going up, it just wasn't stretching far enough. My home was worth over £400,000 but I couldn't access any of it. A lifetime mortgage changed that. I released £95,000, cleared my remaining mortgage, and now I'm helping my daughter onto the property ladder. I sleep much better knowing everything is sorted."

— Margaret T., 70, homeowner in Yorkshire

Quick-Reference FAQs

Question	Answer
Is ownership retained?	YES
Is the product FCA regulated?	YES
Is independent legal advice required?	YES
Can I make voluntary early repayments?	YES
Can I be evicted from my home?	NO
Are there compulsory monthly payments?	NO
Can the lender demand repayment during my lifetime?	NO
Is the money I receive tax-free?	YES
Can I use the funds to repay an existing mortgage?	YES
Is there a No Negative Equity Guarantee?	YES (ERC members)

Now You Know.

Time to Take the Next Step.

A free, no-obligation consultation takes around 30 minutes. Our advisers will prepare a personalised illustration — showing exactly how much you could release, what the costs are, and how the plan would work for your specific circumstances. There is absolutely nothing to pay, and no pressure to proceed.

Book your free consultation at:
lifetime-mortgage.com

This guide is provided for information only and does not constitute regulated financial advice. Lifetime mortgages are long-term financial products. Think carefully before securing a loan against your home. A lifetime mortgage will reduce the value of your estate and may affect your eligibility for means-tested benefits. Seek independent financial and legal advice before proceeding. Equity Release Council member products carry a No Negative Equity Guarantee. Early repayment charges may apply. Your adviser will explain all terms clearly before you commit.