

Lifetime Mortgages offering variable capped rates

How does it work?

This is not a consumer advertisement. It is intended for professional advisers only.



This is a lifetime mortgage.

This is a summary of our variable capped rates.

For more information on CPI please refer to www.ons.gov.uk

OneFamily Lifetime Mortgages offer customers the option of borrowing with a variable rate. This rate can move up or down with the chosen index; the Consumer Price Index (CPI).

What is CPI?

In essence, the annual change in the consumer prices index is **a measure of inflation** which the government has a stated aim of keeping to 2%.

CPI is also the index that many pension schemes, including public sector, use.

A simple way of thinking about CPI is to imagine a **large 'shopping basket'** full of goods and services, (over 650 items), on which people typically spend their money: from bread to ready-made meals, from the cost of a cinema seat to the price of a pint at the local pub, from a holiday in Spain to the cost of a bicycle.

The content of the basket is fixed for a period of 12 months, however, as the prices of individual products vary, so does the total cost of the basket.

(Office of National Statistics)

How does it work with the OneFamily Lifetime Mortgage?

Variable rate mortgage

The interest rate on the OneFamily variable rate mortgage can change once a year in December.

The rate is determined by the movement in CPI between the previous October to September, and the difference between the CPI figures between the two dates. The quoted CPI figure in September will be the figure used and allocated in December.

2-year Fixed Rate mortgage

The interest rate on the OneFamily 2-year Fixed Rate mortgage offers customers a fixed interest rate until 30 November 2021. The product will then automatically revert to a variable rate, based on the Consumer Price Index (CPI) from 1 December 2021.

Customers who may be interested in these products should be accustomed to index-linked products and prepared to take the considered risk that a variable rate loan may cost them less longer term.

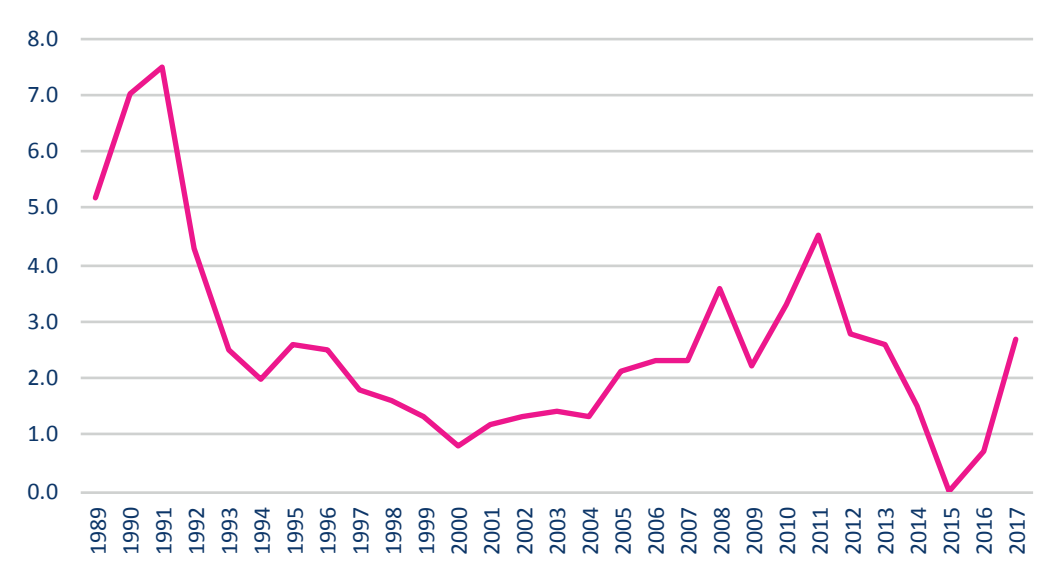
The CPI link on this product means that rates can go up as well as down but there will be a cap on the interest rate (for full details please ask for an illustration). The variable capped interest rates are provided in our Interest Rate sheet.

Where can I find the CPI rates?

Rates are published monthly at www.ons.gov.uk

What is the typical inflation rate

Historic CPI rates.



Annual inflation (dec vs. dec)	CPI inflation	Annual inflation (dec vs. dec)	CPI inflation
CPI Great Britain 2017	2.70 %	CPI Great Britain 2006	2.30 %
CPI Great Britain 2016	0.70 %	CPI Great Britain 2005	2.10 %
CPI Great Britain 2015	0.00 %	CPI Great Britain 2004	1.30 %
CPI Great Britain 2014	1.50 %	CPI Great Britain 2003	1.40 %
CPI Great Britain 2013	2.60 %	CPI Great Britain 2002	1.30 %
CPI Great Britain 2012	2.80 %	CPI Great Britain 2001	1.20 %
CPI Great Britain 2011	4.50 %	CPI Great Britain 2000	0.80 %
CPI Great Britain 2010	3.30 %	CPI Great Britain 1999	1.30 %
CPI Great Britain 2009	2.20 %	CPI Great Britain 1998	1.60 %
CPI Great Britain 2008	3.60 %	CPI Great Britain 1997	1.80 %
CPI Great Britain 2007	2.30 %	CPI Great Britain 1996	2.50 %