



LIFETIME MORTGAGES

Lump Sum Voluntary Payment Lifetime Mortgage Variable Interest Rate

At a glance

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

What is it?

A Lifetime Mortgage which provides your client with a one-off lump sum and allows them to repay up to 10% of the initial loan amount each year without incurring an early repayment charge (ERC).

As these are voluntary repayments and can be made at any time to suit your client's circumstances, this product is not subject to any affordability assessment.

Who is it suitable for?

A variable rate may be suitable for clients who:

- Understand that the product rate is linked to the Consumer Price Index (CPI)
- Are accustomed to index linked products and are prepared to take the risk that other types of interest rates could cost them less in the longer term.
- Understand that the CPI rate can go up as well as down

A Voluntary Payment loan may be suitable for clients who:

- Have some concerns about the impact of interest roll-up and how this will reduce the equity in their property
- Have family with concerns about the impact of interest roll-up on their inheritance
- Like the idea of paying something off the debt but can't commit to regular payments
- Have a residual mortgage debt they wish to continue to pay down in retirement
- Are looking for flexibility in managing their finances in retirement

Lending criteria	
Minimum loan amount	£10,000
Maximum loan amount	£750,000 nationwide
Minimum age	55 on completion of the advance - LTV based on age of younger applicant
Maximum age	100 on completion
Minimum property value	£70,000
Maximum property value	Unlimited, with a referral for any property over £2,000,000
Property location	England, Wales and Scotland
Tenure	Freehold Leasehold Heritable (Scotland)

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Key features	
Early Repayment Charges (ERCs)	Fixed for first ten years after completion of the advance – 6% years one to five and 3% years six to ten – please see our guide to ERCs
Downsizing protection	No ERC payable – if after five years your client repays the loan as a result of selling their home and moving to a different property
Portable	Yes
No negative equity guarantee	Yes
Drawdown / cash reserve	Not available
Interest rate	<p>Variable – calculated as follows:</p> <p>The interest rate will be the product margin (2.99% - 3.19% MER) + Annual CPI (Consumer Price Index) calculated as 3% at September 2017</p> <p>The rate will be reviewed annually – the rate change will be in December and will be the change for the preceding period October-September</p> <p>If CPI is below zero, the collar rate of the product will apply</p> <p>The interest rate will be capped at 7.99% - 8.19% (MER)</p> <p>The CPI figure can be obtained from the website of the Office for National Statistics</p>

Voluntary Payments	
Voluntary payment amount	Up to 10% of the initial loan amount each year, ERC free (this includes the completion fee if added to the loan)
Annual allowance	The allowance is renewed annually on the anniversary of the loan – the allowance cannot be carried forward
When can payments start	Immediately on completion of the loan
Payment frequency / amount	Any number of payments can be made throughout the year – minimum amount £25
How can payments be made	By cheque, standing order, debit card or bank transfer

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Borrower costs and fees	
Valuation fee	Currently free for properties up to £1M. Fees between £400 - £3,150 thereafter. Please refer to current version of Tariff of Charges
Completion fee	£950. Please refer to current version of Tariff of Charges
Legal fee	OneFamily's legal costs are included in the completion fee - your client will be responsible for their own legal fees

Additional borrowing	
Is additional borrowing available?	Yes, subject to criteria (available six months after completion of the initial advance)
Minimum amount	£4,000
Maximum amount	Up to the maximum LTV available on the product taken at outset - switching to a higher LTV product is not permitted
Can voluntary payments be made on the additional borrowing?	Yes - immediately on completion of the additional borrowing - please see above
Fees	Please refer to current version of Tariff of Charges

	Lite LTV	Standard LTV
Interest rate MER (currently)	5.99%	6.19%
Interest rate AER (currently)	6.16%	6.37%

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Age	Lite LTV		Standard LTV	
	Single Life	Joint Life	Single Life	Joint Life
55	16.0%	15.0%	21.0%	20.0%
56	17.0%	16.0%	22.0%	21.0%
57	18.0%	17.0%	23.0%	22.0%
58	19.0%	18.0%	24.0%	23.0%
59	20.0%	19.0%	25.0%	24.0%
60	21.0%	20.0%	26.0%	25.0%
61	22.0%	21.0%	27.0%	26.0%
62	23.0%	22.0%	28.0%	27.0%

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Age	Lite LTV		Standard LTV	
	Single Life	Joint Life	Single Life	Joint Life
63	24.0%	23.0%	29.0%	28.0%
64	25.0%	24.0%	30.0%	29.0%
65	26.0%	25.0%	31.0%	30.0%
66	27.0%	26.0%	32.0%	31.0%
67	28.0%	27.0%	33.0%	32.0%
68	29.0%	28.0%	34.0%	33.0%
69	30.0%	29.0%	35.0%	34.0%
70	31.0%	30.0%	36.0%	35.0%
71	32.0%	31.0%	37.0%	36.0%
72	33.0%	32.0%	38.0%	37.0%
73	34.0%	33.0%	39.0%	38.0%
74	35.0%	34.0%	40.0%	39.0%
75	36.0%	35.0%	41.0%	40.0%
76	37.0%	36.0%	42.0%	41.0%
77	38.0%	37.0%	43.0%	42.0%
78	39.0%	38.0%	44.0%	43.0%
79	40.0%	39.0%	45.0%	44.0%
80	41.0%	40.0%	46.0%	45.0%
81	42.0%	41.0%	47.0%	46.0%
82	43.0%	42.0%	48.0%	47.0%
83	44.0%	43.0%	49.0%	48.0%
84	45.0%	44.0%	50.0%	49.0%
85-100	46.0%	45.0%	50.0%	50.0%

Joint LTV will be calculated on the age of the youngest applicant.

To find out more about our Voluntary Payment Lifetime Mortgage

Visit us at onefamilyadviser.com/mortgages/lifetime-mortgages/

Email our sales support team at oflm.sales@onefamily.com or our underwriting team at lifetimemortgages@onefamily.com

Contact us on 0800 802 1645*

*Lines open 9am - 5.30pm, Monday to Friday. We might record your call to help improve our training and for security purposes. Calls to 0800 or 0808 numbers are free from UK landlines and personal mobiles. With business mobiles the cost will depend on your phone provider. If you'd like to know more, please ask your provider.

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