

Lifetime Mortgages Fixed Early Repayment Charges

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

Introduction

We recognise that your customer is looking for certainty and peace of mind when they take out a lifetime mortgage and therefore, we have designed our Early Repayment Charges (ERCs) to be fixed, simple and transparent.

A lifetime mortgage is a long-term commitment and is not intended to be repaid early.

If your customer decides to repay the lifetime mortgage early, an ERC may apply.

If your customer has an Interest Roll-up mortgage, voluntary payments are permitted and are ERC free up to the allowance limit. The allowance limit that applies annually is detailed in your customer's Offer document. As a guide however, more details on voluntary payments can be found in our [Product Overview Guides](#).

Repaying the lifetime mortgage early:

- The loan may be repaid, in full, at any time, however an ERC may apply. Your customer's Offer document will outline what charges are applicable and when.
- Partial repayments may also be made. Some of our products allow voluntary payments to be made ERC free. Details of this can be found in our [Product Overview Guides](#), or specifically in your customer's Offer document.
- Where a customer wishes to make a partial repayment and has an Interest Payment product, or the amount exceeds the voluntary payment allowance, then the following applies:
 - > The minimum amount that can be repaid is £1,000
 - > A minimum loan balance of £10,000 must remain

ERCs will not be payable where:

- Your customer (or the last surviving customer) dies or moves into long term care.
- The early repayment term of the mortgage has expired. Specific details will be in your customer's Offer document.
- Your customer ports the lifetime mortgage – i.e. transfers the lifetime mortgage to another property which we deem to be suitable security and a part redemption of the loan is required where the value of the property is less than the original.
- Downsizing protection applies – i.e. if after five years your customer sells their property and moves into another property.

How our ERCs work

Our lifetime mortgages have ERCs that are fixed at the outset and are calculated by applying a percentage to the initial loan amount (inclusive of completion fee).

The ERC percentage applied is dependent on the length of time the mortgage has been held for.

For our current products the following ERC structure is applied:

Year / Product ERC	Fixed Lite & Standard	Variable Rate
1	8%	8%
2	8%	7%
3	8%	6%
4	7%	5%
5	6%	4%
6	5%	3%
7	4%	2%
8	3%	1%
9	2%	
10	1%	

- Our current redemption fee would also be added to the amount due.
- Where a customer has an initial loan and additional borrowing, repaying the whole amount in full may mean that different ERC percentages are applied – the percentage applied depends on how long each loan segment has been open for.

Illustration 1: Fixed Rate Lifetime Mortgage

Loan Amount	Completion Fee	Total Initial Balance	ERC years 1-3 + Redemption Fee (£125)	ERC years 5 + Redemption Fee (£125)	ERC years 7 + Redemption Fee (£125)	ERC years 10 + Redemption Fee (£125)
£30,000	£950	£30,950	£2,601	£1,982	£1,363	£434.50

Illustration 2: Fixed Rate Lifetime Mortgage with Additional Borrowing

Loan Component	Amount	Completion Fee	Total Balance	Redemption Year (and %)	ERC
Initial Loan	£30,000	£950	£30,950	6 (5%)	£1,547.50
Additional Borrowing	£5,000	£295	£5,295	3 (8%)	£423.60
Redemption Fee					£125
Total ERCs and Redemption Fee					£2,096.10

Total balance in both illustrations implies that interest has been paid on a monthly basis. If these were Interest Roll-up Lifetime Mortgages, then the total balance would be higher as the interest would have rolled up and been added to the total outstanding balance each month.

We're here to help

Our Underwriting Team

We pride ourselves on offering a truly personal service, which is why we provide direct access to our Underwriters. We understand the importance and value of being able to speak directly to them whenever you have a case you need to discuss. We take the time to listen and understand your customer's individual needs and the unique aspects of their property to ensure we provide the right lending decision for you and your customers.

 lifetimemortgages@onefamily.com  **0800 802 1645*** (select option 4)

Our Sales Support Team

We have a dedicated team of specialist Business Development Managers and Telephone Account Managers on hand to help with any queries you may have.

 oflm.sales@onefamily.com  **0800 802 1645*** (select option 2)

Our Adviser Website and Portal

Our Adviser site provides information on our products. It's the place where you can register with us, and offers a range of online resources such as an online calculator and useful insights and guides. Plus, our online Adviser Portal allows you to process applications smoothly and securely, day or night.

 onefamilyadviser.com/lifetime-mortgages

* 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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