



# Why choose equity release?

Equity release can be a way to help you meet your financial needs in retirement. There are many reasons why people choose equity release. Here are some of the most common uses:



## Clear an existing mortgage

If you have an existing mortgage, equity release can help you to clear it to free up more disposable income. This can give you peace of mind and make it easier to manage your finances in retirement. Please note: any existing mortgage or loan secured against your home must be repaid to take out a lifetime mortgage.



## Gifting to a family member

Equity release can be used to gift money to a family member. This could be a way to help them with their own financial needs, such as buying a home or clearing their existing debts.



### Pay off existing debts

If you have any existing debts, such as credit card debt or personal loans, equity release can help you to pay them off. This can free up your monthly income and put more money in your pocket. You should always think carefully before securing a loan against your home to repay existing debt.



### Help with retirement finances

Money can be tight in retirement. Equity release can help boost your finances to allow you to live a more comfortable later life.



### Home improvements

If you're thinking of making some home improvements, equity release could provide you with the funds you need, from futureproofing your property to installing a new kitchen.

## Why choose a more2life plan?

**All the equity release plans we provide are lifetime mortgages and come with several features.**

### Wanting to make optional payments?

You can help manage the size of your loan and your total cost of borrowing by making ad-hoc or regular repayments although this is not required. You can even choose how much you wish to repay and when, subject to criteria. If that doesn't suit your circumstances, however, you don't have to make any repayments at all throughout the life of your plan and instead the loan plus rolled up interest will be repaid when your lifetime mortgage ends, which is typically when you or the last remaining applicant passes away or moves into long-term care. With a lifetime mortgage there are typically no monthly repayments to make as the loan, plus roll up interest, is repaid when the plan comes to an end.

### Never pass on any equity release debt

All our plans come with the no negative equity guarantee. That means you can never owe more than your home's value or pass on any equity release related debt to your loved ones. However, a lifetime mortgage may result in limited or no property equity remaining and will reduce your financial options in the future.

### Don't have to downsize

With all our plans, you can unlock some of your home's value without having to downsize. You'll also always retain full ownership of your property and can stay in it for as long as you choose.

## Option to move home in the future

If you want or need to move home after you've taken out your lifetime mortgage with us, you may be able to take your plan with you to your new home, known as porting. That's provided the new property meets our lending criteria at the time.

However, with downsizing protection, if your new home doesn't meet our lending criteria at the time of the intended move, you might be able to repay your loan in full, or 'redeem' your loan without having to pay any early repayment charges, as long as the intended move occurs 5 years or more after you completed your plan with us. To check if Downsizing Protection applies to your plan, please refer to your offer documentation.

## Fixed interest rates

No matter what happens to interest rates elsewhere, your plan's rate is fixed for life. However, if interest rates reduce, you may be able to remortgage your plan to secure a lower rate. In this instance you may be subject to early repayment charges.

## All our plans meet Equity Release Council standards

The Equity Release Council is the UK industry body for equity release that works to set high standards for consumers within the equity release market. All of our plans at more2life meet the standards set out by the Equity Release Council.

## What to consider before taking out a lifetime mortgage

Alongside the benefits of equity release, we also want you to be aware of what's important to consider before making a decision.

### Pros

- You can unlock cash from your home, tax-free, to help meet your needs in later life
- You'll always retain full ownership of your home and can stay in it for as long as you wish with a lifetime mortgage
- You can choose to make reduced or no monthly repayments to suit your circumstances
- You'll never owe more than your home's worth with a more2life lifetime mortgage
- You may be able to remortgage your plan in the future to release further funds or secure a better interest rate, although this isn't guaranteed and may be subject to early repayment charges
- You have the right to move home in the future, subject to criteria
- You have to receive qualified advice before taking out equity release, so you can be sure it's the right decision for you

### Cons

- A lifetime mortgage is a loan secured against your home and subject to compound interest, meaning the amount you owe can grow quickly
- Equity release will reduce the value of your estate
- Equity release may leave you with limited or no property equity remaining
- Equity release may affect your entitlement to means-tested benefits
- Equity release will reduce your financial options in the future
- If you wish to repay more than 10-12% of the original loan amount each year, you may be subject to early repayment charges
- A lifetime mortgage is a long-term financial product and is not designed to be fully repaid until the death or entry into long-term care of the last remaining borrower, otherwise early repayment charges may apply

## Getting the right advice

To take out a lifetime mortgage, you first need to receive advice from a qualified equity release adviser who'll look at your alternative options and tell you if it's right for you.



If you're yet to find an equity release adviser, we recommend searching the Equity Release Council's database of registered equity release adviser members. All Equity Release Council members have agreed to abide by Equity Release Council [rules, guidance and standards](#), and have signed up to the Council's [Statement of Principles](#).

For more information

 **03454 150 150**  
 **servicing@more2life.co.uk**  
 **more2life.co.uk/customer**

 **more2life**  
the later life lender

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