more2life
the later life lender

Maxi Zero ERC

Lump Sum Product Information

This document is intended for intermediaries only and is not approved for use with consumers.

Our approach to meeting the Products & Services Outcome and Price & Value Outcome – Information for distributors of the Product

This summary document is being provided to you to fulfil our responsibilities under:

- **PRIN 2A.4.15 R**
- **PRIN 2A.3.12 R (2)**

It is designed to support you to comply with your responsibilities under:

- **PRIN 2A.3.16 R**
- **PRIN 2A.4.16 R**

Please note that you are ultimately responsible for meeting your obligations under 'Consumer Duty'.

1. Summary of our assessment

We have assessed that:

- Our Maxi Zero ERC product meets the needs, characteristics, and objectives of customers in the identified target market.
- The intended distribution strategy is appropriate for the target market.
- The product provides fair value to customers in the target market (i.e. the total benefits are proportionate to total costs).

2. Product characteristics & benefits

The products are designed to meet the needs of the target group, namely the borrowing requirements of UK homeowners aged between 55 and 89 as outlined in Section 3 below. The product features and criteria are designed to support these needs.

Lump sum plans designed for customers who require a specified sum at outset but foresee no requirement for a cash facility to drawdown after the initial release.

The interest rate is fixed for the life of the loan offering security regardless of whether interest rates rise or fall in the future.

No monthly repayments are required; however the borrower may opt to make monthly repayments if they wish. Maxi ZERO ERC plans allow partial repayments and there is no limit to the total amount or number of payments that can be made each year without incurring early repayment charges.

There are no early repayment charges.

Allows customers to move home and port the loan to their new property if their new home meets the lending criteria at the time. If their new home does not meet the lending criteria at the time,the loan can be repaid in full without incurring any early repayment charges.

In joint cases, the remaining borrower can repay the loan partially or in full without incurring any early repayment charges indefinitely following the death or admission into long-term care of the first borrower.

The product has a No Negative Equity Guarantee meaning under normal circumstances the amount owed will not be more than the property is worth when it is sold.

The mortgage offer is valid for a period of 84 days from the date of issuance. If the case does not complete within the initial 84-day offer period, a new offer may be produced based on the prevailing terms and conditions at the time of issue of the new offer.

Customers may be eligible for a further advance over and above the initial cash facility if the product is still available for new lending. Further advances are subject to the prevailing fixed interest rate at the time, which may be higher or lower than the original interest rate.

Full eligibility criteria can be accessed on our intermediary website via www.more2life.co.uk and clicking the 'product' tab to select the appropriate product page.

3. Target market assessment and distribution strategy

This target market assessment matrix segments the target customers for the product, recognising their different needs to enable you to tailor the services you provide when you distribute the product.

Customer circumstances	
Those **wanting** to use the equity in their home to meet financial objectives/aspirations	Those **needing** to use the equity in their home to help solve financial challenges
Customer needs and objectives	
This would include: 1. Customers who are unable to commit to mandatory regular repayments but may have the ability to make optional repayments towards the interest 2. Customers who want to reduce their monthly outgoings by paying off an existing debt or mortgage 3. Customers who want to extend existing mortgage debt into retirement and the flexibility to decide if, how and when they make mortgage repayments 4. Customers who want their family to benefit from some of their estate now rather than passing it on after they die 5. Customers who want to fund additional help in older age 6. Customers who have explored alternative forms of borrowing and do not want to downsize 7. Customers who are expecting interest rates to drop in the near future, who understand that interest rate decreases and further lending decisions are not guaranteed, but want the ability to take advantage of this by re-broking on an ERC free basis	This would include: 1. Customers who are anticipating a change in circumstances (e.g. inheritance, house purchase/sale) but need to take action now, due to any of the other examples noted in this section, and there are no other suitable solutions. However, the product is not designed to be used as a bridging loan. 2. Customers who can no longer afford to maintain payments or make the final repayment of an existing debt or mortgage 3. Customers who have family who are struggling financially and need support 4. Customers who are struggling to manage in their home and need to make adaptations to the layout and/or facilities 5. Customers whose health is declining and need help with everyday care and acts of living 6. Customers who have explored alternative forms of borrowing and do not want to downsize

Distribution strategy

Our Maxi Zero range is available to:

- FCA authorised qualified equity release advisers registered with more2life
- The product range is available to source via industry sourcing platforms for example Air Sourcing, Iress and Advise Wise

All customers must fully understand:

- The cost of the borrowing and the impact of compound interest over time.
- A lifetime mortgage is not for short term borrowing needs.
- The interest rate of the loan is fixed.
- The risks and limitations associated with the product .
- Potential alternative options – including downsizing.
- The impact of all costs, including upfront and any additional that occur as a result of re-broking for example.
- That future borrowing is not guaranteed.

The product is not designed for customers who:

- Are aged under 55, or over 89 years.
- Do not own their own home.
- Are not a UK citizen or their home in the UK is not their main residence.
- Have a property worth less than £120,000 (£150,000 if the property is ex-Local Authority).
- Have a borrowing requirement of less than £15,000.
- Do not express any intention to rebroke or do not expect a change in circumstances.
- Want or need a cash facility (drawdown).
- Are unable or unwilling to repay any existing debt secured against their home.
- Can access and afford alternative borrowing solutions with a lower cost of borrowing.
- Want to use the funds for gambling, foreign property investment, short-term borrowing needs (including bridging), investment purposes, business purposes, debt consolidation where the equity release cost of borrowing is not appropriate and, in certain circumstances, those at younger ages looking to use equity release for ad-hoc discretionary spending.
- Are looking to raise funds in another form from an initial lump sum or ad-hoc drawdown, such as a regular income stream or a line of credit.

4. Customers in vulnerable circumstances

The product is designed for UK homeowners aged between 55 and 89, which is likely to include customers in vulnerable circumstances or who will experience vulnerability over time.

more2life recognises that given the profile of its customer base and target market, many customers have the potential to become vulnerable over the lifetime of their product, through changes to both their personal or financial circumstances. The types of vulnerabilities customers within the target market may experience include:

- Customers with illnesses or disabilities that may affect their decision making or mental stability.
- Customers who have been or may be the target of a financial scam or other type of fraud.
- Customers making decisions based on current existing income or debt issues.
- Where there are concerns that a customer's decision making is being influenced unduly by a partner, family member or beneficiary, or where there is inappropriate involvement from a third party.

Lifetime mortgages are complex products and therefore Intermediaries must ensure they identify and support customers with vulnerability indicators, including to ensure all customers fully understand the product, its terms and limitations.

Please contact us if you need any further information about how we support the needs of all our customers in relation to the product.

5. Our assessment of value

We want to make sure our products meet the needs of our customers, deliver good outcomes and provide fair value.

To do this, we have developed a comprehensive and robust fair value assessment framework. This framework considers a range of criteria, including:

- The costs of developing, distributing, and maintaining the product and ongoing services
- The price paid by customers
- The terms and features of the product
- The service and benefits delivered to customers
- The needs of our target market, including those with characteristics of vulnerability; and
- Our distribution strategy

We use this framework to assess all of our products on a regular basis. This helps us to ensure that our products continue to provide fair value.

Our fair value assessment includes a wide range of factors and has concluded as follows:

Benefits and features

- The features of the product are aligned to the needs of the target market.
- The products provide clear benefits and flexibility, and are competitive.
- Customers are able to utilise the features of the products as expected.

Operating costs, interest rates and fees

- The interest rates offered are commensurate to the benefits, features and utility associated with the product and our profits are not excessive.
- Our tariff of charges is based on the costs incurred in operating the services.
- Our interest rates are regularly reviewed, benchmarked and competitive and customers are aware they can make repayments to reduce the impact of compound interest should they choose to do so.

Distribution arrangements

- The product is being distributed in accordance with our distribution strategy, which remains appropriate.
- The average advice fees levied by distributors do not indicate an adverse impact on the fair value of the product, however distributors will be required to assess this point based on their own specific advice fees and charges.

Non-monetary costs

- No customer data is monetised and we do not generate revenue through marketing of additional products or services
- We regularly monitor our service levels, gather customer feedback, and objectively handle complaints, taking action to improve our processes where appropriate.

We are committed to making sure our products continue to meet the changing needs of the target market and deliver fair value.

As part of this commitment, we will conduct fair value assessments regularly, and review and make enhancements to our products, their associated costs, and supporting processes as appropriate.

Any changes to this assessment will be communicated accordingly.

For more information

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