



CUSTOMER GUIDE

# Flexi Interest Reward: A fully flexible feature



more2life  
the later life lender



## How does it work?

Flexi Interest Reward works in four simple steps:

- 1 You and your adviser work out how much you need to release
- 2 You and your adviser choose an affordable monthly payment<sup>1</sup>
- 3 You choose how long you want to make your monthly payments<sup>2</sup>
- 4 You're rewarded with a personalised interest rate discount

**Flexi Interest Reward** is a feature of our Flexi lifetime mortgage where you're rewarded with an interest rate discount for life for making a period of monthly payments. It can help you significantly reduce your cost of borrowing which could allow you to leave more of your property's equity to your loved ones.

Your discount depends on several factors, including how much you pay and for how long. Typically, the bigger your monthly payment and the longer the term, the bigger the discount. Providing you make all your agreed payments, your interest rate discount will last for the entire life of your mortgage with us.

You can only release equity through a qualified equity release adviser who will review all of your later life finance options and determine if it's suitable for you.

Initial advance arrangement fee: £995

1. Through your monthly payments and any overpayments you wish to make, you can repay up to 10% of the initial loan amount each year without facing early repayment charges (ERCs).
2. Subject to criteria.

# Am I eligible for Flexi Interest Reward?

You could be eligible for Flexi Interest Reward if you:



Are aged 55 to 82



Want to release between 5 to 48% of your home's value



Have a property worth £125,000<sup>1</sup> to £2m<sup>2</sup>



Want to release your money in one lump sum (Flexi Interest Reward isn't available via drawdown)



For example, if your home is worth £300,000, you could release between £15,000 and £144,000, depending on the oldest borrower's age.

1. Ex-Local £150,000 minimum.

2. England – £1m in Scotland and Wales.



## What should I consider before taking out a Flexi Interest Reward lifetime mortgage?

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

1. A Flexi Interest Reward lifetime mortgage is a type of equity release and a loan secured against your home
2. Equity release will reduce the value of your estate and may affect your entitlement to means-tested benefits
3. With a Flexi Interest Reward lifetime mortgage, after you've completed your payment term, there are typically no further monthly repayments to make. The loan, plus compound interest, is typically repaid through the sale of the property when the last remaining applicant passes away or moves into long-term care
4. A lifetime mortgage may result in limited or no property equity remaining and will reduce your financial options in the future.

# Is Flexi Interest Reward suitable for me?

Flexi Interest Reward could be a suitable option for you if you're willing and able to make a period of monthly payments and want to be rewarded with a lower interest rate for doing so. It could help you unlock the funds you need from your home's value, tax-free, to:



Repay your existing mortgage



Support your loved ones



Boost your retirement finances



Make home improvements

# Is Flexi Interest Reward affordability tested?

Your adviser will go through an affordability assessment with you to make sure your monthly payments and the payment term you choose remain affordable, although we won't check your credit score, and your home won't be repossessed for stopping payments early.

# What happens if I stop making payments?

You should always choose a monthly payment and payment term you feel is comfortable and sustainable. But we know that in life, sometimes things change.

If you're struggling with your payments, you can temporarily reduce your monthly payment at any time to help manage budgeting. Alternatively, you can take a payment break during your payment term if you need to. In both instances, you'll keep your discounted interest rate as long as the account goes no more than three months into arrears and any missed payments are repaid within three months.

If you need or want to stop making payments early altogether, you can. You'll still retain full ownership of your home, and you won't lose your full interest rate discount, provided more than 25% of the payments have been made.

Payments made	Loss of discount
Less than 25%	100%
25-49.99%	75%
50-74.99%	50%
75-99.99%	25%

Your equity release adviser can explain this to you in more detail during your advice appointment.

# Learn more about Flexi Interest Reward

To take out a Flexi Interest Reward lifetime mortgage, you first need to receive advice from a qualified equity release adviser who'll look at all your 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

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