

Standard Life

HomeFinance

Introducing Standard Life Home Finance




The new bright light in the later life lending market



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



Standard Life Home Finance is a lender you can trust to put you and your clients first. We take pride in being:

-  **Capable**
Our later life lending capabilities can be trusted to give advisers peace of mind and a competitive edge
-  **Transformative**
Our lending product solutions are designed to transform retirement outcomes for your clients
-  **Supportive**
We are fully focused on supporting later life advisers and helping build a more successful market

Standard Life Home Finance

Why Standard Life Home Finance?

At Standard Life Home Finance, our purpose is to put you and your clients in control of a brighter financial future through a range of high-quality lifetime mortgages.

We know that service and product flexibility are at the heart of your decision-making when recommending a solution to your clients. You need a plan that meets their needs, a process you can trust, and a lender that understands what's required for your business to flourish.

That's why we focus on these areas to ensure you can spend more time doing what you do best – helping clients achieve a better outcome in retirement.

Horizon, our lifetime mortgages, provide one of the highest quality offerings on the market and have received a 5 Star Rating by Defaqto, a leading financial information, ratings and fintech business, helping consumers, financial institutions and financial advisers make better informed decisions.



With competitive rates, a wide range of lending criteria and a powerful brand name, our lending proposition is designed to be the new bright light in the later life lending market.

We recognise that nothing is more important than making sure your needs are met and exceeded. We never forget that advisers are critical to the future success of our market, and that you need a lending partner you can count on to support you. That's why from application to completion and beyond, we'll be with you every step of the way.

And to help you understand how we can assist you and your clients, we've created this guide to give you more information about our Horizon plans, their market-leading features, along with our cutting-edge online tools; all enabling you to build and grow your later life lending business.

Introducing our Horizon plans

At Standard Life Home Finance, we've created a range of flexible lifetime mortgages to help tackle the ever-growing demands of later life.

Our Horizon plans boast competitive rates, market-leading features and a wide range of loan to value options. With both lump sum and drawdown, as well as fee and fee-free options available, they are designed to put you and your clients in control of a brighter financial future.

Our plans are suitable for homeowners looking to borrow between £10,000 and £1.5 million, with the ability to make repayments straight away, giving your clients more freedom and flexibility.

Are your clients suitable for a Horizon lifetime mortgage?

Tens of thousands of people across the UK are already enjoying the benefits of unlocking some of the value tied up in their home through equity release.

Your clients may be eligible for a Horizon lifetime mortgage if:

- They're aged 55 to 84
- They're a homeowner with a property worth at least £99,000
- They're looking for a loan of up to £1.5m

Our Horizon lifetime mortgages at a glance

	Fee-free Plans	Fee-paid Plans
Loan	£10,000 – £1.5m	
Age range	55–84 & 364 Days	
LTV range	8% – 56%*	
Valuation fee	£0	£0
Arrangement fee	£0	£995
Redemption and partial repayment fees	£0	£0
Features of both plans:		
<ul style="list-style-type: none"> • Fixed early repayment charges which expire after 8 years • Partial capital repayments of up to 10% each year from day 1 and a minimum of just £50 per payment • Downsizing protection available immediately • Guaranteed inheritance protection automatically included** • Permanent exemption from early repayment charges on death/admission into long-term care of the first borrower • Cash facility offering a minimum draw of just £500, subject to a minimum cash facility of £500 		



For a more detailed view of our Horizon lifetime mortgages, please refer to our **Product Guide**

* Depending on the plan option and age

** Where the maximum facility is not taken from the outset, up to a maximum protected element of 50%

Horizon's market-leading features

Our Horizon lifetime mortgages are designed to transform your clients' retirement. They include a range of market-leading modern lending features as standard, all of which give you and your customers greater control over their later life finances and have helped secure a 5 Star Rating from Defaqto.



Defaqto is a leading financial information, ratings and fintech business, helping consumers, financial institutions and financial advisers make better informed decisions.

To help give you a better understanding of our plans' features and how they benefit your clients, the following pages list each feature, along with an explanation of how our Horizon product range is injecting innovation into the equity release market.



Fixed early repayment charges (ERCs)



Partial repayments



Downsizing protection



Guaranteed inheritance protection



Exemption from ERC on death / admission into long term care of a partner



Cash facility

Fixed early repayment charges (ERCs)



Feature

Fixed ERCs typically work on a sliding scale of fixed percentages in the early years of a lifetime mortgage loan, eventually reducing to zero. They are now more common than gilt based or 'mark to market' charges.

The fixed ERCs on Horizon plans start at 8% in year one and reduce to zero after eight years.



Advantage

The main advantages of fixed ERCs is that they're much easier to explain to clients and also give them more certainty from outset compared to gilt-based ERCs, and although with gilt-based ERCs the amount could be £0 in certain circumstances, with fixed ERCs your clients know exactly how much they'll have to repay or not, at any given point in the future.

Standard Life Home Finance benefit

Typically across the lifetime mortgage market, fixed ERCs will apply for between 10 and 15 years. With a Horizon plan from Standard Life Home Finance, our ERCs reduce to zero after just eight years, giving our plans a competitive edge if a client is looking to repay as well as greater flexibility and peace of mind to your clients.

Partial repayments



✓ Feature

With partial repayments, your clients can make regular or one-off repayments on the loan capital without incurring any early repayment charges.

+ Advantage

By choosing to make partial repayments, your clients can reduce the amount owed at the end of their agreement, leaving more of their home's future value to be passed on as an inheritance.

Alternatively, by not making any repayments, they can enjoy their retirement to the fullest in the safe knowledge they'll never owe more than their property's worth thanks to the no negative equity guarantee installed in all our plans.

Standard Life Home Finance benefit

By giving your clients the choice to make partial repayments or not, it allows them to tailor their Standard Life Home Finance plan to their retirement circumstances and needs; providing more financial flexibility in later life.

Your client is able to make repayments equalling up to 10% of the initial loan amount every 12 months, from as little as just £50, without facing any early repayment charges.



Downsizing protection



✓ Feature

Downsizing protection allows your clients the flexibility to move home in future, even if the new property is outside of our lending criteria and it is not possible to port the loan.

+ Advantage

Many of your clients may be looking to downsize from a family home to a more manageable property in the future. With Horizon plans, they have this option, as their loan can be transferred to their new home (a process known as porting) providing it meets our lending criteria at the time. The downsizing protection feature allows your clients to move to their next home even if it doesn't meet our lending criteria by allowing them to repay their loan in full without early repayment charges.

Standard Life Home Finance benefit

Unlike other plans* where clients may have to wait up to five years, with a Horizon lifetime mortgage, downsizing protection is available to your clients from day one.

This means your client is always in control of their financial future; knowing they can take advantage of their property's value today and still downsize at any time without early repayment charges.

*Source: Based on market research – August 2021

Guaranteed inheritance protection



✓ Feature

Guaranteed inheritance protection gives your clients the opportunity to protect a percentage of their home's future value to pass on as an inheritance.

At Standard Life Home Finance, it's included in all our plans automatically at no extra cost, as long as the maximum loan available isn't taken from the outset, subject to a maximum protected element of 50%.

+ Advantage

With this feature, your clients have peace of mind that they can take advantage of some of their home's value today and still leave an inheritance for their loved ones when their property is sold at the end of their plan.

Standard Life Home Finance benefit

Unlike some other lenders* who offer inheritance protection, with a Horizon plan, your client is still able to take full advantage of their drawdown facility as and when they need it. The money isn't locked away. Instead, as your client draws down, the protected element simply reduces accordingly; giving them more control over their financial future.

What's more, this feature is automatically included at no extra cost where the client doesn't take the maximum LTV at outset.



Exemption from ERC on death/admission into long term care of a partner



✓ Feature

Exemption from early repayment charges on death/admission into long term care of a partner means that if your client is taking out a lifetime mortgage with a spouse or partner and one party dies or is admitted into long-term care, the remaining borrower can repay the loan in full without incurring any early repayment charges.

+ Advantage

With this feature, your clients are able to take full advantage of their property's value today safe in the knowledge that if either of the above circumstances should occur, they're able to repay the entire loan in full without early repayment charges, if they wish.

Standard Life Home Finance benefit

Many lenders who also offer this feature only do so for up to three years after the event. However, with a Horizon plan, there's no time limit. It can be used at any point before the plan ends.

*Source: Based on market research – August 2021

Cash facility



✓ Feature

A cash facility allows your clients to draw down further funds as and when they need them from their drawdown lifetime mortgage.

+ Advantage

By having the ability to request some of their tax-free cash when required, your clients are able to enjoy their later life in the knowledge that more funds may be available should they need or want to use them, subject to criteria.

This can also help them save on the total cost of borrowing of their equity release plan, with interest only applied to the funds released.

Standard Life Home Finance benefit

Unlike other drawdown lifetime mortgages, Horizon offers a minimum cash facility release of £500.

This gives your clients greater choice in how they access their drawdown facility, while saving them any unnecessary interest.

*Source: Based on market research – August 2021

Online portal

The connect portal

We know how important service and speed of application is to you and your clients. That's why we've developed our connect online portal; capable of creating KFI's in seconds and delivering a paperless application process designed to get to an offer quickly and efficiently.

The screenshot displays the Standard Life Connect online portal interface. At the top, the Standard Life logo is visible, along with navigation links for Home, Illustration, DIP, Products & Literature, Application Search, User Profile, and Company Profile. A 'Contact us' and 'Log out' button are also present. The main content area shows the applicant's details: 'Applicant: Antigua Barbuda#01 | Case Reference: 8000866'. A sidebar on the left lists navigation options: Loan Summary, Prerequisite Questions, Submission Details, Applicant 1 Details, Property Details, Product Selection, Fees, DPA & Credit Search Permission, Decision Result, and Case Summary. The main content area displays the 'Loan Summary' for 'Horizon 300 Drawdown Fee Free 3.00%'. It shows the 'Initial Loan Required' as £40,000 and the 'LTV' as 8.8888%. Below this, the 'Total Remaining Drawdown Facility' is shown as £32,000. A section for '* Mandatory fields' is visible, with 'Cancel' and 'Next' buttons at the bottom. The footer contains 'Terms & Conditions', 'Privacy & Cookies', and 'Copyright © 2021 Premium Bank. All rights reserved.'

Giving you a competitive edge

Our connect portal is built on an advanced, trusted technology platform with a proven track record in the mortgage industry, giving you peace of mind that your client's application will accelerate to offer and beyond without delay.

Efficiency	connect uses integrated, seamless technology built on a platform that already supports lending across the mortgage industry
Simplicity	It's easy to register, and the entire process – from KFI to application, valuation, offer and completion – is simplified and made more efficient, meaning you're spending less time keying information and chasing updates
Control	You can access and edit the portal from anywhere in the world at the click of a button
Real-time functionality	connect offers real-time functionality, so as soon as you click submit, instructions to solicitors, valuers and client ID checks are triggered automatically. You can also check the status of any application in real time, allowing you to monitor your client's application throughout the process
Faster completions	Thanks to connect's advanced platform and automation technology, the underwriting process can begin faster – ultimately leading you to quicker offers and completions
Support	Our adviser support team are on hand to help whenever you need us

Online support

Support tools

Alongside our purpose-built online portal, we also provide you with support through innovative online tools to help put you and your clients in control of a brighter financial future.

These include loan-to-value, partial repayment and inheritance protection calculators.

Our online tools have been created to help you and your clients find out how much cash they could release from their home, demonstrate how inheritance protection works and what it means for their plan, as well as the effect partial repayments can have over time.

All of these tools are designed to help save you time during your factfinding process, aid client conversations and fundamentally help you build and grow your later life lending business.

On top of that, we also provide marketing support to aid in your business development and adviser education programmes, which are available to those looking to enhance their understanding of both our Horizon product range and equity release.

Our online support tools:

- Loan-to-value calculator
- Partial repayment calculator
- Inheritance protection calculator
- Marketing support
- Adviser education programmes

Find out more

If you'd like more information about how Standard Life Home Finance and our Horizon plans could help both you and your clients secure a brighter financial future, please get in touch

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