

Product guide

At Standard Life Home Finance, we've developed a range of lifetime mortgage plans – all rated 5 Star by Defaqto and designed to help you meet your later life financial needs.

This guide is designed to give you more information about how our lifetime mortgage plans work, but if you have any questions you should speak to your financial adviser. They will talk through your options and recommend a plan based on what's right for you and your retirement journey.

	Lump sum	Drawdown
Age range	55 (60 on H200 & H220) – 84 (+364 days)	
Loan range	£10,000 – £1,500,000	
Cash facility	No	Yes – up to the maximum loan available less the initial advance. Minimum release £500
Property valuation	£99,000 – £5,100,000	
Partial repayments	Yes – up to 10% of the initial loan amount in each 12 month period, minimum of £50 per repayment	
Downsizing protection	Yes – available from the day the loan completes	
Fixed early repayment charges	Yes – 8% in year 1, 7% in year 2, 6% in year 3, 5% in year 4, 4% in year 5, 3% in year 6, 2% in year 7, 1% in year 8 and 0% from year 9 onwards	
Exemption of early repayment charges on death/admission into long-term care of a partner	Yes – waived indefinitely	
Arrangement fee	£995, where applicable (refer to Key Facts Illustration or Offer documentation)	
Interest reward (Available on Horizon fee-free lump sum plans only. From Horizon 300 upwards.)	Yes Terms and rate discounts: 50% of interest – 0.05% (5 yrs), 0.10% (10 yrs), 0.15% (15 yrs). 75% of interest – 0.10% (5 yrs), 0.20% (10 yrs), 0.30% (15 yrs). 100% of interest – 0.15% (5 yrs), 0.30% (10 yrs), 0.45% (15 yrs).	No

Our lifetime mortgages have received a 5 Star Rating by Defaqto, meaning they come with a comprehensive level of features and benefits, and provide one of the highest quality offerings on the market.





How does it work?

A lifetime mortgage is a loan secured against your home. It enables homeowners over the age of 55 to access some of the cash locked in the value of their home. Equity release will reduce the value of your estate and may affect your entitlement to means-tested benefits.



Cash facility

You can either take your tax-free cash as a one off lump sum (lump sum plan) or you could take a smaller initial lump sum to begin with and then additional cash as and when you need it (drawdown plan).

If you choose a drawdown plan and don't take the maximum loan amount available to you, the remaining amount will be available as a cash facility, providing there is a minimum of £500 remaining. With drawdown you can rest assured, you will only pay interest on the money released.

It's important to note that your cash facility is not guaranteed. There are no time limits on accessing your cash facility, but any cash drawn down is subject to a minimum withdrawal of £500. Future withdrawals from your cash facility will be at the prevailing interest rate, at the time of your withdrawal, which may be higher or lower than your original interest rate.



Partial Repayments

Starting from the day your loan completes, you can make repayments of up to 10% of the initial loan amount in each 12 month period without incurring any early repayment charges. You can make as many payments as you like in each 12 month period, subject to a minimum payment of £50. Repayments made outside of these conditions may incur early repayment charges.



Fixed early repayment charges

Our lifetime mortgage plans come with fixed early repayment charges, so you won't need to worry – you'll always know how much you'll be charged should you choose to pay off the loan early, and after eight years there are no longer any charges for repaying your loan in full.

Any charges which may be applicable will be detailed in your Key Facts illustration and Offer documentation.



Downsizing protection

Many of us will move home in later life, perhaps downsizing from a family home to a smaller, more manageable property. If you need to move in the future, your loan can be transferred to the new home (a process known as porting) providing it meets our lending criteria at the time.

If your new property doesn't meet our lending criteria, the downsizing protection feature automatically included in your plan means that you can repay your loan in full without incurring any early repayment charges.



Exemption from early repayment charges on death/ admission into long-term care of a partner

If you are taking out this loan with a spouse or partner and one of you dies or is admitted into long-term care, the remaining borrower can repay the loan in full without incurring any early repayment charges. There is no time limit on when this repayment can be made.



Interest reward

Customers will benefit from a rate discount for the duration of the mortgage by committing to making set monthly interest repayments for a specified term.

Customers are able to miss payments valued up to 3x the monthly payment amount without the discount being removed during the agreed payment period. In order to keep the discount for the duration of the lifetime mortgage, any shortfalls with a value up to 3 monthly payments must be made up. As soon as the payment shortfall goes over the value of 3 monthly payments, then the discount will automatically be removed and the product will revert to the rate that would have applied without the discount.

Available on Horizon fee-free lump sum plans only. From Horizon 300 upwards.

Find out more

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

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