

How-to guide:

Using Air Sourcing to find the most suitable interest-served products

Introducing Standard Life Home Finance's interest-served lifetime mortgage, Horizon Interest Reward.

Horizon Interest Reward lifetime mortgages support customers with a discounted interest rate when they commit to making set monthly interest payments over an agreed term.

With payment terms of five, 10 or 15 years and multiple interest-served options available, Horizon Interest Reward offers customers a lifetime mortgage plan which is highly flexible and can be customised to cater for a range of affordability needs.

Your clients have the freedom to choose between the above referenced payment terms, and also the amount of interest they can commit to paying within this term. Options offered are 25%, 50%, 75% or 100% of the interest.

Horizon Interest Reward is therefore designed to flex around different customer needs, allowing your clients to choose the payment term and interest-served option that is most suited to their unique circumstances.


Source the interest-served options available to your clients via Air Sourcing in five simple steps.

Step 1

Complete the applicant details

Applicant

Mr Test test, born on *01/01/1950*


 You have entered the required details for this Applicant

[UPDATE DETAILS](#) [REMOVE](#)

[+ ADD ANOTHER APPLICANT](#)

Property Details

19 Hornby Street, Oldham, OL8 1TZ - a *Freehold House* valued at *£500,000*

 You have entered the required details for this Property

[UPDATE DETAILS](#) [REMOVE](#)

[DOWNLOAD FLOOD REPORT PDF](#)

The flood report is generated via the Environment Agency using their flood map for planning service. Please note, the report should be used for guidance purposes only.

As usual, when working with Air Sourcing, you'll need to fill out your applicant's details. These include the age of your applicant, their property address and value.

Step 2

Outline your client's borrowing needs

Borrowing

☐ Show Maximum Available

Initial Advance

£ 145000

☐ If the product allows, do you wish to add the Arrangement fee to the advance?

☐ Drawdown Facility Required?

☐ Use Age Next Birthday?

PLEASE NOTE: regardless of the choice you make above, some products will automatically apply age next birthday. If you have any concerns regarding the use of age next birthday, please speak to a member of our support team.

Additional Options

Term for Total to Pay Comparison (leave blank to use ONS life expectancy figures)

☐ Protected Equity Required?

☒ Only display products approved by the Equity Release Council?

Simply fill out your client's initial advance sum and as Horizon Interest Reward products are not offered as a drawdown facility, this option **must be deselected** before continuing.

Step 3

Select your product criteria

Products NEW

To assist you and your clients, please review all the product options. For a comprehensive understanding, you can find further information about equity release and later life lending products by [clicking here](#).

LIFETIME MORTGAGES - VOLUNTARY PAYMENT

LIFETIME MORTGAGES - INTEREST SERVICED

LIFETIME MORTGAGES - MANDATORY PAYMENTS

RETIREMENT MORTGAGES

Amount that the applicant is comfortable committing to monthly repayments

£ 655

Enter 0 if the applicant is unable to commit to monthly repayments

Number of years the applicant wants to make payments for

years

Leave empty to compare monthly repayments over the full term

☒ Maximise affordability

Once contracted payments have been taken from the monthly repayment amount, any excess will be added as voluntary payments reducing the total cost.

In the products section, you now have the option to sift results by product type, and following Air's recent updates, the interest-served option will be selected by default. Please leave this selected.

Following this, you must insert a value in the repayments section that your client is comfortable repaying each month. Without inputting this value, you will not be shown 'interest served' products in your search results.

For those only looking to commit to a specific payment term, we recommend inputting the maximum number of years your client wishes to make payments for and only the most appropriate solutions for them will be shown.

Step 4

Maximise affordability



Maximise affordability

Once contracted payments have been taken from the monthly repayment amount, any excess will be added as voluntary payments reducing the total cost.

Before proceeding to the products, you will see that the option 'maximise affordability' has been selected. By keeping this option selected, your search, where possible, will use your client's full monthly payment amount to lower the cost of borrowing. This means that after any interest payments are accounted for, this feature will apply the surplus as a voluntary repayment for products that allow this, and where no early repayment charges are incurred for doing so.

Once everything has been inputted and you've covered how comfortable your client is with making repayments, it's time to start comparing.

Click...

PROCEED TO PRODUCTS

Step 5

Review the most suitable products

LIFETIME & RETIREMENT MORTGAGES									
Search: Provider, Product Name, AEI			<div><div><</div><div>1</div><div>2</div><div>3</div><div>4</div><div>...</div><div>9</div><div>10</div><div>11</div><div>12</div><div>></div></div>				View Options		
Provider	Product Name	AER	Advance	Drawdown	Total Facility	Payments	Total Cost	Actions	
	Horizon Interest Reward 300 (100% 15 year) <div>Interest Serviced (partial to full) Fixed ERC Club Enhanced Platinum Enhanced Platinum Plus Enhanced</div>	5.47% 5.34% MER Discounted	£145,000	N/A	£145,000 Max: 79.00%	£645 View details	£261,145 £0 / £0 View details	MORE	<input type="checkbox"/>
	Horizon Interest Reward 300 (75% 15 year) <div>Interest Serviced (partial to full) Fixed ERC Club Enhanced Platinum Enhanced Platinum Plus Enhanced</div>	5.63% 5.49% MER Discounted	£145,000	N/A	£145,000 Max: 79.00%	£655 View details	£265,233 £0 / £0 View details	MORE	<input type="checkbox"/>
	Horizon Interest Reward 300 (75% 10 year) <div>Interest Serviced (partial to full) Fixed ERC Club Enhanced Platinum Enhanced Platinum Plus Enhanced</div>	5.74% 5.59% MER Discounted	£145,000	N/A	£145,000 Max: 79.00%	£655 View details	£268,646 £0 / £0 View details	MORE	<input type="checkbox"/>

Air Sourcing will then generate a table of results including Horizon Interest Reward products in their many configurations.

Product cost

Contracted Payments

- From month 1 to month 180 a contracted payment of £645.25 is required

Voluntary Payments

- Voluntary payments must exceed the minimum amount of £50

Payment Term

- Discounted rate is locked for full term after 15 years
- If monthly payments cease before 15 years, the rate will increase to 5.79%

Outstanding Balance

- Based on the above, the outstanding balance will be £145,000 at the end of the term.

Please refer to the product criteria to review if Early Repayment Charges may be added. If you are unsure, check the "Maximise affordability" filter is off to only display contracted payment required for that product

Additional options

BORROWING FORECAST

While Air Sourcing will return results based on top-down with regards to the lowest total cost of borrowing, you can also choose to review their payment plans in-depth by clicking '[View details](#)' on each product option.

Is there anything else I should know before I get started?

When requesting a KFI, if you are presented with the error message '[KFI failed](#)', do not worry. In this instance, the Air team will manually create your KFI for you free of charge.

Want to learn more about the benefits of Horizon Interest Reward?

Standard Life
Home Finance