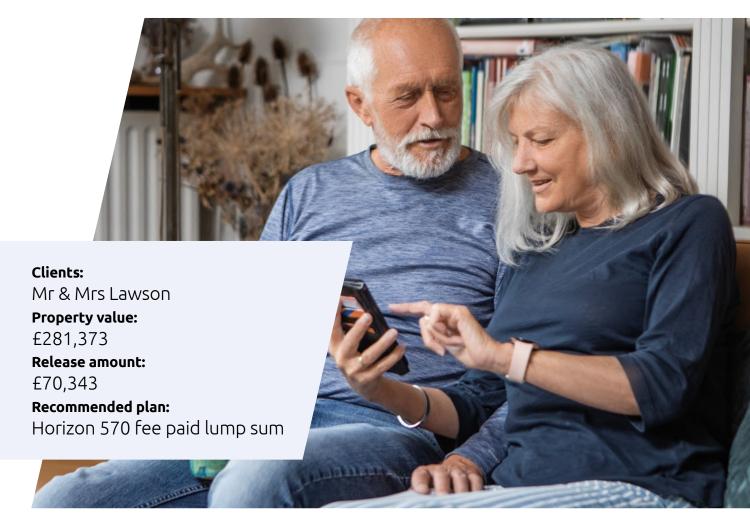


Case study example: How small repayments can have a big impact



Mr and Mrs Lawson, both aged 60, were looking for a way to help boost their finances and supplement their pension as they approach retirement. After speaking with their financial adviser, they decided to access some of the wealth in their property but make repayments to reduce their total cost of borrowing and leave a sizeable inheritance for their children.

Mr and Mrs Lawson wish to release just over £70,000 from their property and using Standard Life Home Finance's Voluntary Repayment Calculator, their adviser is able to demonstrate the impact of making repayments that align with their affordability.

Monthly repayment	£0	£50	£100
Total cost of repayments (15 years)	£0	£9,000	£18,000
Total cost of borrowing with repayments	£211,140	£194,800	£178,461
Remaining equity after 15 years*	£115,517	£131,857	£148,196
Gross saving	£0	£16,340	£32,679
Net saving after repayments	£0	£7,340	£14,679

Based on Horizon 570 fee paid plan with 7.35% MER interest rate, accurate as of 08/07/24. *Including 1% annual HPI

As demonstrated above, Mr and Mrs Lawson are shown that even modest payments can significantly reduce their total cost of borrowing. By repaying just £100 per month, they are able to make a net saving of over £14,000 in interest compared to if they made no repayments. It would also leave them just over £148,000 remaining equity to pass on.

And even by repaying £50 per month, they could make a net saying of over £7,000 versus if they chose not to make repayments – leaving them with more than £131,800 to leave to their estate after 15 years.

Enhance your later life lending solutions with Standard Life Home Finance and explore the possibilities of Horizon for your clients today.

To find out more about Standard Life Home Finance and our Horizon lifetime mortgages, please get in touch:

Call: 0333 307 9000 or email: info@standardlifehomefinance.co.uk



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