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THE RETIREMENT SPECIALIST

JUST FOR YOU LIFETIME MORTGAGE

Product Information including Fair Value Assessment and Target Market Statement

SUMMARY

This document covers our Just for You Lifetime Mortgage currently available for new lending to customers.

It's designed to provide you with the appropriate information to enable you to understand the product's key features, identified target market (including characteristics of vulnerability) and expected distribution strategy.

It also provides the outcome of our product fair value assessment, which we formally review at least annually and monitor for changes throughout the year.

Our overall assessment is that the product continues to deliver fair value for customers in the target market for the product.

PRODUCT PURPOSE AND BENEFITS

Our Just for You Lifetime Mortgage is designed to help you tailor your client's lifetime mortgage to meet their individual financial and lifestyle choices. It provides them with a way to release equity from their main residence by using a loan secured against it. Your client can request a tax-free initial lump sum with the option to take extra amounts in the future from a pre-agreed cash facility. The interest rate for each withdrawal is fixed for the duration of the loan.

Unlike a conventional residential mortgage, lifetime mortgages do not require monthly repayments, or an income to service the loan. Instead, the interest is added to the loan each month (also known as compound interest). Clients have the option to service some or all of the interest through monthly payments to offset the impact of compound interest.

The Just for You Lifetime Mortgage includes a 'No Negative Equity Guarantee', which means that clients will never owe more than their house is worth when it's sold. This is because the balance of the loan, outstanding interest and capital above the proceeds of the property when sold is written off by the lender. The loan is only required to be repaid upon death, or if the last surviving borrower moves into long-term care. However, the loan can be repaid or reduced at any time, although this may be subject to an early repayment charge.

The product is regulated by the Financial Conduct Authority (FCA).

Our service proposition is designed to provide a good customer experience and outcomes.

For a fuller description and list of options, please refer to our specific product literature which can be found on our website justadviser.com

LIMITATIONS

Limitations of the benefits are:

- Amount of available loan is dependent on customer age and value of the property.
- Early repayment charges exist for voluntary redemption of the policy (to cover a reasonable pre-estimate of the costs involved in closing and acquiring replacement lending business).
- Taking out a lifetime mortgage may affect state benefit entitlement. Advice should ensure that this does not offset the benefits of the product.
- The ability for customers to borrow more money or repay the loan early to rebroke to another lender may be limited dependent on the value of the property and size of loan at the time.
- Also see the 'target market' section of this document, as our product is designed to meet the needs only of customers in our target market who meet our eligibility criteria.

For further detail, please refer to our specific product literature which can be found on our website justadviser.com

We don't believe that any consumer groups within the target market are inappropriately excluded by the limitations of the product.

TARGET MARKET

The product is designed for clients who:

- ✓ have equity in their property but do not have enough income or capital to meet their needs throughout retirement
- ✓ need to supplement their retirement income
- ✓ require funds to cover ad hoc expenses (such as replacing the car, paying for a holiday or making home improvements)
- ✓ want to gift to family members
- ✓ want to fund school fees for their grandchildren
- ✓ would like to consolidate outstanding debt at retirement
- ✓ want to repay an existing mortgage, or
- ✓ wish to use equity release for tax planning purposes.

This product is unlikely to be suitable for clients who:

- × do not own their own home
- × are not a UK resident
- × have short-term borrowing needs
- × want to preserve their property equity for legacy purposes
- × want to release equity for investment purposes
- × are reliant on means tested benefits, or
- × are receiving guaranteed credit on top of the basic state pension.

ELIGIBILITY CRITERIA

To be eligible for our Just For You Lifetime Mortgage your client must:

- be aged between 55 and 85 (age of youngest applicant if a joint application)
- be the sole owner of the property which must be their main residence on a continual basis (for joint applications, clients must own the property on either a joint tenants or tenants in common basis), and
- own an acceptable property worth £70,000 or over in England, Wales, Scotland or Northern Ireland.

Please note that age requirements, minimum property values and maximum cash facilities may vary across the range of options.

For our latest lending criteria, please see our Just For You Lifetime Mortgage Lending Criteria Guide, which is available on our website Justadviser.com

HOW IS THIS PRODUCT DESIGNED TO BE SOLD?

This product is only available through suitably qualified financial intermediaries on a fully advised basis. Financial intermediaries are required to hold the appropriate Lifetime Mortgage Qualification in addition to being L3 or CeMAP qualified.

Customers are also advised to seek independent legal advice before taking out a lifetime mortgage.

CUSTOMERS WITH CHARACTERISTICS OF VULNERABILITY

We've taken vulnerable consumers into account at all stages of the product and service design process, including idea generation, development, testing and launch. As part of the continuous development of products and services we review our approach to ensure we continue to deliver good customer outcomes.

There are four identified key drivers which may increase the risk of vulnerability. These are:

- **Health** – health conditions or illnesses that affect the ability to carry out day-to-day tasks
- **Life events** – major life events such as bereavement, job loss or relationship breakdown
- **Resilience** – low ability to withstand financial or emotional shocks
- **Capability** – low knowledge of financial matters or low confidence in managing money (financial capability). Low capability in other relevant areas such as literacy or digital skills

Some customer groups are more likely to display characteristics of vulnerability than others and may display more than one characteristic.

Due to the age profile and nature of our products, customers within our target markets are more likely to experience characteristics of vulnerability.

To ensure we provide good outcomes to all our customers, we're committed to:

- Educating and training for colleagues, ensuring they have the appropriate skills and experience to recognise and respond to the needs of vulnerable customers.
- Providing suitable customer service and communications.

- Adapting our policies and procedures, where appropriate, to support specific customer needs.
- Monitoring and evaluating relevant management information to support the identification of practical action and/or innovation that supports the delivery of good outcomes for our customers.

We don't believe that vulnerable customers within the target market will be excluded from enjoying the full benefits of this product.

FAIR VALUE ASSESSMENT

The aim of this section is to provide distributors with an overview of the findings from the fair value assessment.

We have developed a comprehensive and robust assessment process, which evaluates several aspects to determine the value of our Just For You Lifetime Mortgage product. This analysis is used to ascertain whether the product delivers fair value for customers.

We review the fair value of our products at least annually and the outcomes of our assessment process go through appropriate internal governance, allowing for challenge and further investigation before we sign-off the outcomes and share the summary of our assessment with you.

While our assessments cover a broad range of measures, the core fair value indicators assessed include:

Feature	Pricing and Costs	Service Assessment (Including Complaints)	Distribution
Assessment will review: • The range of benefits the product provides • Usage of features • The quality of the product • Target Market Assessment • Competitor comparison • Any limitations on the scope and service we provide or the features of the product	**Assessment will review:** • Pricing value for money criteria • Profitability data, including revenue and profit margins • The fees and charges customers pay for the product • Comparable market rates and charges • Advice fees paid to intermediaries • Costs of providing the product • Non-financial costs associated with operating the product	**Assessment will review:** • Quality of service delivered, and the action taken, if there is any negative impact on customer experience • Complaints data • Intermediary feedback • Customer experience and satisfaction • Customers with characteristics of vulnerability and ensuring they do not receive poor outcomes	**Assessment will review:** • Whether the distribution strategy remains appropriate and whether there are any areas which negatively impact on customer outcomes • Decency limits to adviser fee levels • Terms of Business with advisers

Our overall assessment is that the product continues to deliver fair value for customers in the target market for the product.

- The products remain consistent with the needs of the identified target market.
- The intended distribution strategy remains appropriate.
- The product provides fair value to customers within that target market and should provide good outcomes to consumers.

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APPENDIX: WHAT HAPPENS IF?

What happens if my client wants to borrow more money?

A further advance facility can enable more borrowing in the future. Interest rates and loan to values (LTVs) are based on those available at the time. For drawdown plans there is a cash reserve facility which your client can use to make further withdrawals as and when needed.

What happens if my client wishes to repay the loan?

Your client may have to pay an early repayment charge if they overpay more than their mortgage terms allow, or they repay their mortgage early. Because we expect our lifetime mortgages to last the lifetime of our customers, we generally consider an early repayment to be any time before the end of the customer's life or before they have to move into permanent long-term care.

Early Repayment Charge (ERC) free repayments of up to 10% of each advance in any 12-month period are permitted. Customers making monthly interest payments are unable to make Early Repayment Charges (ERC) free partial overpayments.

The ERC does not apply upon death or if your client moves into long-term care.

What happens if my client wants to pay the interest on the loan?

The interest servicing option enables your client to service the interest on their loan (all or in part) which will reduce the overall cost of borrowing. This is paid monthly and can later be cancelled, switching your client's policy to one that rolls up interest.

What happens if my client has ESG Preferences?

With the Just For You Lifetime Mortgage, a discount to the standard interest rate is available if your client has an eligible property with a valid Energy Performance Certificate (EPC) rating of A, B or C. When they apply, your client can request a free EPC*, but if they decide not to request one we'll still check to see if their property has a valid rating and, if eligible, apply the discount.

Energy efficiency ratings explained

Every home must now have an EPC when it's built, sold or rented – this gives the property an energy efficiency rating from A or 100 (most efficient) to G or 0 (least efficient) and is valid for 10 years. To check whether your property has a valid EPC, please go to gov.uk/find-energy-certificate (England, Wales & Northern Ireland) or scottishepcregister.org.uk (Scotland).

What happens if my client has a medical condition or lifestyle issues?

We provide fully personalised LTVs and interest rates by using medical underwriting.

*Please note that free EPCs are not currently available when your client is purchasing a new property, moving home or they're our existing customer borrowing more. A free EPC will not be completed for any property with a current valid rating of A, B or C, as the property already qualifies for the discounted rate.

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What happens if my client dies or goes into long-term care?

The loan does not need to be repaid until the last surviving borrower moves into long-term care or dies. When this happens, the loan must be repaid within 12 months. However, any existing early repayment charges will be waived.

FOR MORE INFORMATION

Call: **0345 302 2287**
Lines are open Monday to Friday, 8.30am to 5.30pm
Please note your call may be monitored and recorded and call charges may apply.

Email: **support@wearejust.co.uk**
Or visit our website for further information: **justadviser.com**