

EQUITY RELEASE MYTHBUSTERS

If you think equity release is best avoided, it's time to think again.

Perceptions are changing evidenced by significant market growth and demand in recent years. Despite this, there are still **myths** that need dispelling around lifetime mortgages.



MYTH 1: YOU'LL HAVE TO STAY IN THE SAME PROPERTY FOR THE REST OF YOUR LIFE.

Some lifetime mortgages are 'portable' depending on the property you'd like to move to and the lender's criteria.



MYTH 2: YOU'LL LEAVE DEBT TO YOUR FAMILY AND LOVED ONES.

Providing the terms and conditions are met, no debt is left to your estate and you'll never owe more than the value of your home once sold.



MYTH 3: EQUITY CAN'T BE RELEASED IF THERE'S AN OUTSTANDING MORTGAGE.

You can apply for a lifetime mortgage providing you pay off your existing mortgage balance. This can be done either through the equity you release or through your savings.



MYTH 4: IT'S NOT POSSIBLE TO REDUCE THE OUTSTANDING DEBT.

There are products that offer you the option to make partial repayments with no early repayment charges. The amount that can be repaid is usually up to a fixed amount each year. Some products also offer fixed early repayment charges that apply for a set time period so any repayments after this won't have a charge.

There are also products available that allow you the option to pay monthly interest. Although this will not reduce the amount borrowed, the debt will not increase as much as it would if you let the interest accrue.



MYTH 5: YOU WON'T BE ABLE TO LEAVE YOUR PROPERTY AS AN INHERITANCE.

When you die or move into long-term care, your home will usually be sold and the money used to pay off the lifetime mortgage. Any money leftover can go to your beneficiaries.



MYTH 6: IT'S UNSAFE AND UNREGULATED.

It's regulated by the FCA. Also the Equity Release Council (ERC) was established in 2012 to provide consumer protection specifically for this market. Members must adhere to its standards of conduct and practice.



MYTH 7: YOU'LL LOSE OWNERSHIP AND CONTROL OF THE PROPERTY.

With lifetime mortgages, you'll be the owner of your home for as long as you want to live there. This is in the same way as you would for a regular mortgage providing you meet the conditions of the lifetime mortgage.



MYTH 8: YOU'LL OWE MORE THAN THE VALUE OF YOUR HOME.

As part of adhering to the ERC Statement of Principles, all members must now feature a 'No Negative Equity Guarantee', which means you'll never owe more than your home is worth once sold, even if this is less than the amount owed. The guarantee only applies when you meet the product's terms and conditions.

FOR MORE INFORMATION

Call: 01737 233297 Email: support@wearejust.co.uk Or visit: wearejust.co.uk
Lines are open Monday to Friday, 8.30am to 5.30pm

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