

**JUST.**

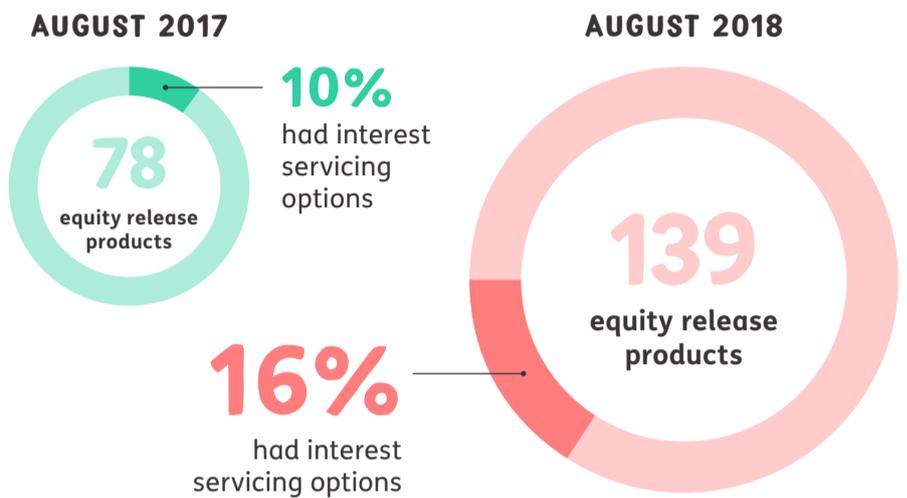
# WHY IS SERVICING INTEREST SO INTERESTING?



## MORE CHOICE

Today's lifetime mortgage products offer greater flexibility so you can tailor solutions to meet client requirements.

For example, more products enable clients to service the interest, helping to reduce the impact of interest roll-up.



## REDUCED INTEREST RATE

The servicing interest option on the Just For You Lifetime Mortgage comes with a reduction to the roll-up interest rate.

And the higher the percentage a client chooses to pay, the bigger the reduction in interest rate.

In this example client A borrows £200,000 and services all the monthly interest, and client B makes partial repayments of the same amount at the start of each year.

After 20 years, they've both paid the same amount but client A owes £13,000 less than client B, thanks to the reduced roll-up interest rate.



**£200,000 BORROWED**

## A SOLUTION TO THE INTEREST ONLY TIMEBOMB

Figures from the UK Finance Later Life Lending Committee show that mortgages worth £167bn are held by people aged over 55. And almost 63% of this amount are interest only mortgages.



## WHAT IF PEOPLE DON'T HAVE ENOUGH FUNDS TO REPAY THEIR MORTGAGE WHEN IT'S DUE?

A lifetime mortgage could be the solution. It could also prevent them having to downsize, or move to a different area, or consider loans that may carry a risk of repossession.

And, the option to service interest means they can continue on a similar basis to now.