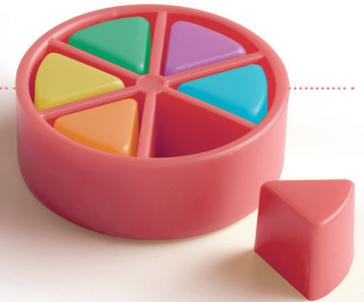


**JUST FOR YOU LIFETIME MORTGAGE**

# ADVISER TECHNICAL GUIDE



## About us – quick facts

- We were awarded a twelfth consecutive accolade in the 'Mortgages' category at the 2019 Financial Adviser Service Awards.
- We've already helped more than 100,000 customers to release equity from their homes.
- At the heart of our brand is a social purpose, and our mission is to help one million people with the challenges of later life. Read more on our website, [wearejust.co.uk](http://wearejust.co.uk)

**We are Just. We believe that everyone deserves a fair, secure and fulfilling retirement. We're here to help your customers get the most out of theirs.**

We're a leading provider of lifetime mortgages, and we've helped customers release more than £4 billion from their properties.

## Our values

At Just, we want to do everything we can to help your customers make the best decision about their finances – we want to make a difference. That's why we do our best to give your customers open and honest information, written in plain English.

We also believe it's important to treat your customers fairly from the moment they apply, throughout the entire time they have their lifetime mortgage with us.

## CONTENTS

Just For You Lifetime Mortgage	2
How our lifetime mortgage works	6
Glossary	9
Documentation	10

## JUST FOR YOU LIFETIME MORTGAGE

**Our Just For You Lifetime Mortgage has been designed to help you tailor your clients lifetime mortgage to meet their individual financial and lifestyle choices. It provides customers with an initial lump sum with the option to take extra amounts in the future from a pre-agreed cash facility. Customers also have the option to service some or all of their monthly interest amount in order to offset the impact of compound interest.**

Retirement is a time to make important choices. Your customers may already have a pension and savings, but are they enough to live on? If your customers have money tied up in their home, releasing this could improve their finances.

Our lifetime mortgage allow your customers to free up some of the money built up in their home, without having to move or cut back on their lifestyle. This can help your customers in a number of ways:

- Easing money worries.
- Providing gifts to family members.
- Making home improvements.
- Taking a 'once-in-a-lifetime' trip.
- Maintaining their lifestyle.

Our Just For You Lifetime Mortgage offers seven LTV series (J1, J2, J2.5, J3, J4, J5 & J6)<sup>1</sup>. Each tier increases the maximum borrowing available. J1-J4 & J6 are standard terms and J5 is our enhanced option.

For LTV series J1-J5 there will be the option for your client to take a cash facility (see page 3) and the option to service some or all of the monthly interest amount (see page 4).

**For full details of our lending criteria across the LTV series, please see our Acceptable Properties Guide.**

<sup>1</sup> Series J2.5, J3, J4, J5 & J6 Just For You Lifetime Mortgage not available in Northern Ireland.

---

**We sometimes accept applications on behalf of individuals by attorneys. But there must be a suitable enduring or lasting power of attorney registered with the Court of Protection.**

---

## Eligibility

To be eligible for our lifetime mortgage customers must:

- Be aged 55 or over (age of youngest applicant if a joint application) for J1-J5.
- Be aged 65 or over (age of youngest applicant if a joint application) for J6.
- Be the sole owners of the property. This must be their main residence on a continual basis. For joint applications, customers must own the property on either a joint tenants or tenants in common basis.
- Own an acceptable property worth £70,000 or over in the UK (£150,000 for J6). Please see our 'Guide to Acceptable Properties' for further details.

## Initial advance

The minimum initial advance is £10,000 or £20,000 if some or all of the monthly interest is being paid. This must be drawn on completion of the lifetime mortgage. The initial advance will be paid to the account of the customer's legal adviser. If any part of the initial advance is needed to pay off an outstanding mortgage or secured loan, this amount will be paid directly to the lender. All payments will be made in sterling.

## Cash facility

Customers have the option of taking a cash facility at the start of their lifetime mortgage (this is not available for J6). The interest rate applicable to the initial advance and any subsequent borrowing will be higher than if this option were not selected. The maximum cash facility will be capped at the maximum LTV available based on the age of the youngest customer (with an absolute maximum of £200,000 remaining in the facility). The unused cash facility will therefore be the balance of the maximum loan amount permitted by customer age less the initial advance.

The cash facility is guaranteed to be available for the life of the mortgage, unless one of the following occurs:

- If the total of all the advances exceeds the maximum loan amount based on the borrowers age and property value at the time the request for an additional advance is made.
- If we, or another provider (if we have transferred the lifetime mortgage to them in accordance with your lifetime mortgage agreement) no longer offers lifetime mortgages.
- If the amount owed exceeds 100% of the value of the property at the time the request for an additional advance is made.
- If the property is owned on a tenants in common basis (or, in Scotland, there is no survivorship destination in the title to the property), and either party has died.
- If a default event occurs.
- If, amongst other things, we become insolvent, are no longer authorised by the FCA, the FCA (or any other body responsible for regulating our business) has placed limits on our ability to lend or there are changes to our costs of funding (for example the cost in administering our mortgages or the cost of funding our lending) which results in it being uneconomical for us to provide the additional advance.
- If a second charge has been registered on the property.

Additional advances can be requested by the customer(s) directly or via an authorised financial adviser in writing, by phone, email, or fax. There's no administration fee for this.

Find out more in our 'A guide to your cash facility'.

Customers can ask for additional advances from their cash facility at any time. These are subject to a minimum of £2,000 per release, and the customer won't have to take further financial advice. We do not charge any administration fee for a release from the existing cash facility.

### Monthly payment option

Customers can choose to pay some or all of the monthly interest amount by Direct Debit (this is not available for J6). The minimum they can pay is £25, up to 100% of the monthly interest amount. A reduction to the roll-up interest rate may apply for customers who decide to pay some or all of the monthly interest amount, this will be detailed in the customers offer documentation.

If they need to take a temporary break from the monthly payments, providing they give us 1 months notice, they can take a payment holiday of up to 3 consecutive months in any 12 month period following the completion of the loan. The monthly interest not paid during the payment holiday will be added to the loan and roll up on a compound basis.

If they wish to stop making monthly payments altogether, they can do so at any time, at which point the lifetime mortgage will switch to a full roll up of interest basis. For customers who received a reduction to the roll-up interest rate due to paying some or all of their monthly interest amount, the interest rate applicable to the loan will increase. Once payments have ceased they cannot be restarted.

The loan will convert to a full interest roll up basis once 6 monthly payments have been missed and the interest rate applicable will increase.

### Enhanced terms

- We offer enhanced LTV's based on the customers health and lifestyle. Using our expert underwriting capability to give customers the potential to borrow an even higher amount depending upon their medical and lifestyle conditions. The maximum amount they can borrow under the enhanced LTV terms is based on their age, property value, and personal circumstances.

For guidance on whether your customer(s) may qualify for enhanced LTV terms – and for an indicative personalised LTV – please use the Enhanced Calculator on our adviser site at [www.justadviser.com/financial-planning/calculators/medical-enhancement-calculator/](http://www.justadviser.com/financial-planning/calculators/medical-enhancement-calculator/)

### Additional advances outside cash facility

Once the cash facility is exhausted, customers can apply for an additional advance. Additional advances are not guaranteed, and we'll decide whether we can provide additional borrowing depending on:

- the customer's circumstances;
- the value and condition of the property; and
- our lending criteria at the time.

Additional advances are subject to a minimum of £5,000, and customers must take advice from an authorised financial adviser.

A property valuation may be needed for additional advances outside the cash facility. If so, we'll charge for this, which won't be more than the normal valuation fee applicable to new business at the time. There's no administration fee for additional advances.

---

## Interest

The interest rate on each advance compounds monthly and is fixed and will not change for the duration of the lifetime mortgage, unless your client originally chooses to pay some or all of the monthly interest amount and stops prior to repayment of their lifetime mortgage.

The interest rate for the initial advance is shown in the Offer document. The rate is guaranteed for six weeks from the date of issue of the offer. If the advance isn't completed within six weeks, the offer will expire. Any replacement offer will be in line with the terms available at the time, so the interest rate may change. Interest is charged on a monthly basis and added to the outstanding balance each month on the payment due date. Interest is charged from the date the advance is released to the borrower's legal adviser, until the date the amount owed is repaid in full, or in the event of early repayment until the latter of either the date the amount owed is repaid in full or if repaid before the end of the 14 day notice period until the end of that notice period.

For additional advances the interest rate will be set at the time it's requested. Customers will be informed of the rate in writing. Once again, this interest rate will be guaranteed for six weeks from the date the confirmation is issued.

If the additional advance is not drawn within six weeks of the confirmation, the offer will expire. Any replacement offer will be in line with the terms available at the time, so once again the interest rate may change.

Please note, in section 8 of the KFI we take into account calendar years rather than compounding years. Therefore if the customer is servicing 100% of the monthly interest amount, the balance in the table in section 8 may include some interest. For example, if a customer completes their initial advance on 2 January 2019 and has chosen to service 100% of their monthly interest amount with a payment date of the 15th of each month, section 8 of the KFI would show in year 1 the balance at the end of 2 January 2020. By this date interest has accumulated from 15 December 2019 (the last payment) to 2 January 2020. However the customer hasn't had a chance to pay that off as their direct debit date isn't until 15 January 2020. Therefore the interest that has been accumulated is included in the balance in section 8.

## Fees, remuneration and charges

To find out more about fees, remuneration and charges, see our 'Just For You Lifetime Mortgage – at a glance' guide. A tariff of charges is also available on request.

## HOW OUR LIFETIME MORTGAGE WORKS

### Repayment of the lifetime mortgage

A lifetime mortgage is a lifetime commitment. It's designed to be repaid only when your customer (or both customers, in the case of borrowing jointly) has died or permanently moved into long-term care.

The mortgage must be repaid within 12 months from when your customer (or both customers in the case of borrowing jointly) has died or permanently moved into long-term care. For example, your customer might move into a care home or live with and be cared for by relatives on a permanent basis due to medical necessity.

If the mortgage isn't repaid within 12 months, we may appoint a representative to market and sell the property.

If the mortgage is repaid at any time before the death or entry into permanent long-term care of all applicants, then the customer(s) may have to pay an early repayment charge.

The mortgage may also have to be repaid if the property is left vacant for more than three months.

Usually the mortgage will be repaid from the sale proceeds of the property, but it can be repaid from other funds if needed.

### Voluntary early repayment

If your customer(s) repay their lifetime mortgage early, there may be an early repayment charge to pay. This is to protect us against the financial consequences of their decision not to keep the mortgage for the full term. We do not charge an exit administration fee for early repayment.

If the customer(s) pay back the money before the full term, we have to reinvest that money to replace the proceeds that we would otherwise have expected to receive. This reinvestment process means we may incur two distinct sets of costs:

- The first is the transaction costs we pay when reinvesting the money.
- The second is the cost of the replacement investments, which will be higher if the interest rates available on investments have fallen since the time we originally loaned the money. We measure the change in interest rates using the UK FTSE 15 Year Gilt Yield Index.

If your customer pays back their lifetime mortgage in full, we won't charge an early repayment charge if:

- the mortgage is repaid after they die or permanently move into long-term care; or
- if they've held their mortgage for longer than the early repayment period.

If your customers have borrowed jointly, we won't charge an early repayment charge if the lifetime mortgage is repaid:

- within three years of the death of one borrower;
- within three years of one borrower moving permanently into long-term care; or
- after they have both died or permanently moved into long-term care.

---

Find out more about early repayment charges in our 'Guide to early repayment charge'.

---

If not making monthly payments, customers are able to repay some of their lifetime mortgage without having to pay an early repayment charge. For each advance, they can pay back up to 10% of the advance amount in each 12-month period following completion, in up to six instalments providing they are not servicing any of the monthly interest amount. The minimum overall amount they can pay in each instalment is £500, and the remaining amount owed must be at least £10,000.

If more than one advance has been taken, we will allocate the amount repaid in proportion to the amount owed on each advance. If the amount repaid is more than 10% there may be an early repayment charge payable.

Also, if the customer(s) sell their property and transfers the lifetime mortgage to a new property that is acceptable to us, we may ask them to make a part repayment. This may happen, for example, if the customer(s) new property is worth less than their existing one. If this happens, we won't charge an early repayment charge on that part repayment.

### **No-negative-equity guarantee**

As long as the customers have complied with the terms and conditions, they won't have to pay more than the sale proceeds of the property, even if it's less than the amount owed. There's no added charge for this guarantee.

### **Valuation report**

Before we make an offer, we need a property valuation which is an estimation of the worth of the customer's property carried out by a professional valuer. We choose a surveyor to carry out the valuation.

### **Moving home**

If your customers want to move home, it may be possible to transfer their lifetime mortgage to a new property, if the new property is acceptable to us.

One condition is that the sale of the old property and purchase of the new property take place at the same time.

If the new property has a higher value than the old property, it may be possible to apply for a further advance. But this is subject to the lending criteria at the time.

In some instances, for example if the customer is transferring the lifetime mortgage to a lower value property, we may reduce the cash facility. We may ask the customer to repay part of the amount owed in line with lending criteria applicable at the time. We do not charge an application fee for transferring the lifetime mortgage.

If the customer has taken more than one advance, we will allocate the amount repaid in proportion to the amount owed on each advance. There will be no early repayment charge in these circumstances. If customers choose to repay more than required, an early repayment charge will apply only to the extra amount repaid.

The new property will need to be valued by a surveyor. We'll choose a surveyor to do the valuation. The valuation fee will be the fee applicable to a new Just Lifetime Mortgage at the time.

Your customer will be responsible for all the costs of moving.

**Insurance**

Your customers need to have suitable buildings insurance for the duration of the lifetime mortgage. We need confirmation of this, but won't make any additional charge for checking the policy.

**Responsible lending**

We don't consider lifetime mortgages to be suitable for customers looking to raise capital for investment purposes, and we won't lend if the customer has indicated that this is the purpose of the loan.

Of course, lifetime mortgages won't be right for everyone. It's important to check that it won't affect your customers entitlement to state benefits and to remind them that it will reduce the value of their estate.

---

## GLOSSARY

<b>Additional advance</b>	An amount of money you take from the unused cash facility after taking the initial advance.
<b>Advance</b>	Any amount of money we pay to you as a loan secured against your home.
<b>Amount owed</b>	The total amount of money that you must pay us in connection with your lifetime mortgage.
<b>Arrangement fee</b>	A fee you must pay us for arranging your lifetime mortgage or when applying to make changes to your lifetime mortgage.
<b>Cash facility</b>	A fixed amount of money, shown in your offer, from which you will take the initial advance and which you can use to take additional advances as you need them.
<b>Early repayment charge</b>	A charge that you may have to pay if you pay back your lifetime mortgage early. We consider an early repayment to be any time before the end of your life or before you have moved into permanent long-term care. If borrowing jointly, we won't charge an early repayment charge if the lifetime mortgage is repaid within three years of one borrower dying or going into permanent long-term care.
<b>Initial advance</b>	The amount of money shown in your initial advance offer that you take from your cash facility when your lifetime mortgage completes.
<b>Loan-to-value (LTV)</b>	The maximum percentage of the property value that may be available, based on your age. The LTV may also be based on your health and lifestyle under our enhanced lifetime mortgage.
<b>Long-term care</b>	A time when due to your physical or mental medical condition you are no longer able to live in your property and you are receiving care away from the property on a permanent basis.
<b>Monthly payments</b>	The amount you have elected to pay per month to cover some or all of the interest amount.
<b>Payment Holiday</b>	A pre-approved period of time during which you elect to stop making your Monthly Payments on your lifetime mortgage.
<b>Unused cash facility</b>	The amount of money left in the cash facility available for you to take additional advances from (after you've taken your initial advance and any other additional advances).

## DOCUMENTATION

To process an initial application we will need:

- a completed application form (including a money laundering declaration);
- a cheque for the valuation fee; and
- proof of name and age (birth certificate accompanied with marriage certificate if necessary, passport or photo driving licence for each applicant).

We will then arrange a valuation of the property and issue an offer as appropriate, together with:

- Offer Key Facts Illustration.
- Offer Acceptance Form.
- Mortgage Deed.
- Guidance notes for legal advisers.

These details are correct at the time of printing and subject to change from time to time. Full details of the terms applicable to individual cases are detailed in the loan agreement. For an individual quote, get in touch with your Just contact or e-mail us at [support@wearejust.co.uk](mailto:support@wearejust.co.uk).

---

## NOTES

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---



---

## FOR MORE INFORMATION

Call: **0345 302 2287**

Lines are open Monday to Friday, 8.30am to 5.30pm

Email: **support@wearejust.co.uk**

Or visit our website for further information: **justadviser.com**

**Please contact us if you would like this document in an alternative format.**

---

Just is a trading name of Just Retirement Money Limited. Registered Office: Enterprise House, Bancroft Road, Reigate, Surrey, RH2 7RP. Registered in England and Wales Number 09415215. Just Retirement Money Limited is authorised and regulated by the Financial Conduct Authority. Calls may be monitored and recorded, and call charges may apply.

