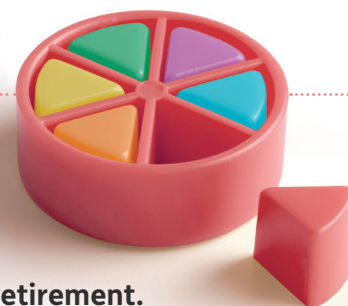


WHAT'S THE DIFFERENCE: LIFETIME MORTGAGES AND RETIREMENT INTEREST ONLY MORTGAGES



Retirement interest only (RIO) mortgages and standard interest only lifetime mortgages are similar, as they allow those over-55 to access funds tied up to their home to help fund their retirement. However, there are significant differences.

With both products, the loan is redeemed when your client (or both clients if borrowing jointly) has passed away, or goes into long-term care.

But there are some very important differences to consider when deciding the best option for your clients. The table below summarises the key differences between lifetime mortgages and RIOs.

Lifetime mortgages	RIOs
Your client can choose to stop making monthly payments and the mortgage will convert to an interest 'roll up' basis.	Your client must make every monthly repayment due throughout the mortgage term or until it's redeemed.
The amount your client can borrow is based on their age, life expectancy and property value. If a client's medical age is higher than their calendar age, their life expectancy reduces and they may be able to borrow more or pay less in overall costs of borrowing.	The amount they can borrow is based on their ability to pay the monthly interest payments. They're able to borrow more but repayments can then be higher, potentially causing affordability issues.
Your client can remain in their home until they (one or both of them if borrowing jointly) have passed away or move permanently into long-term care.	If they fail to make their monthly repayments, their home is at risk of repossession.
Most products come with a No Negative Equity Guarantee, meaning your client or their estate will never owe more than the value of the property when the mortgage becomes repayable.	If the property is worth less than the outstanding mortgage when it becomes repayable, your client or their estate will pay any resulting shortfall.
Most lifetime mortgages have an interest rate that is fixed for life.	Interest rate may be fixed for a specific term and could fluctuate after this period.

WE CAN HELP YOU

If you have a client that could benefit from a lifetime mortgage to help supplement their retirement income, we could help with the next steps. We have different options to help you and our contact details are below.

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

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

Please note your call may be monitored and recorded and call charges may apply.

