



JUST.

JUST FOR YOU LIFETIME MORTGAGE CLIENT SCENARIOS



FLEXIBLE CASHBACK OPTION ALLOWS FRANK TO OVERCOME DOWNGRADE IN PROPERTY VALUE

FRANK BROOKS' STORY

- Frank, 70 is a retired widower living near Portsmouth.
- He thinks his mortgage-free home is worth £200,000 based on prices achieved by his neighbours.
- He wants to borrow £85,000 to improve his home and garden and take his family on holiday.

How can the Just For You Lifetime Mortgage help him?

Frank thinks his home is worth £200,000. If he used a Just For You Lifetime Mortgage to borrow £85,000, this would give a loan to value (LTV) of 42.50%. This is close to the maximum LTV Frank could get (based on his age) on J4 at an interest rate of 3.97% AER.

It soon becomes clear that his property is not worth £200,000, being valued at £185,000. As a result, the LTV rises to 45.95%. This is above the maximum LTV Frank could get on J6 and so, a loan for the amount he wants to borrow doesn't seem possible.

How does the Just For You Lifetime Mortgage make it even better?

Frank's adviser decides to check if Just's percentage based cashback could provide a solution.

A quick call to us generates the options shown in the table below.

Using the property's actual valuation, Frank can't quite get the funds he requires with the J6 2% cashback, but he can with the 5% option and it only costs around £720 more in year one compared to the original solution.

The Just For You Lifetime Mortgage would allow Frank to:

- Obtain the £85,000 he wanted despite his property being valued £15,000 less than expected.
- Achieve this with around a £720 increase in year one costs.
- Improve his home and garden, and take his family on a truly memorable holiday.

	Original plan		With 2% cashback	With 5% cashback
Property value	£200,000	£185,000	£185,000	£185,000
Loan required	£85,000	£85,000	£83,333	£80,952
Total advance	£85,000	£85,000	£85,000	£85,000
Cashback amount	£0	£0	£1,667	£4,048
Loan to value	42.50%	45.95%	45.05%	43.76%
Interest (AER %)	3.97%	3.97%	4.75%	5.06%
Interest in year 1 (£ pa)	£3,375	Can't achieve loan requirement	Can't achieve loan requirement	£4,096



All numbers are illustrative only to show how the Just For You Lifetime Mortgage could be used. This is not intended to provide any form of advice or recommendation.

Note: The interest rates and LTVs are correct as at 4 October 2021.

FOR MORE INFORMATION

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.

