

BUILD EQUITY RELEASE INTO FINANCIAL PLANNING – A SPOTTER'S GUIDE

Good financial planning is about putting the right amount of money into the right hands, at the right time. That's why we believe in building equity release into the financial planning process.



Here are some scenarios where it may be useful to consider equity release as part of your client's overall financial plan.

Debt repayment

- **Clients with maturing interest-only or endowment mortgages** (particularly where there is a shortfall). These clients may now be receiving letters from lenders asking for a resolution.
- **Clients with high credit card debt** and no clear repayment strategy. However, please think carefully before recommending securing other debts against your client's home as it could cost them more in the long-term.

Day-to-day living expenses

- **Clients who are on a fixed income** and struggling to cover one-off unexpected purchases. This might be replacing household appliances or car repairs.

Maintaining lifestyle

- **Clients unable to buy a new car** through existing cash resources or regular payments.
- **Clients struggling to fund a regular holiday.** They might not want to sacrifice the enjoyment of an annual getaway.

Improving lifestyle

- **Clients who are looking to pay for private medical care.** They may wish to fund this privately in order to avoid a potentially lengthy (and lifestyle-limiting) wait for NHS treatment.
- **Clients who want a one-off holiday of a lifetime.** Or they might want to buy a caravan, motorhome or holiday home.

Family financial planning – advancing inheritances and skipping a generation

- **Clients with grandchildren who can't afford a property deposit.** Your clients might not have the money or assets to help.
- **Clients helping with grandchildren's education costs.** Some grandparents may want to advance some of their inheritance now, skipping a generation. But they may not have enough non-property liquid assets.
- **Clients who want to give an early inheritance to the family,** perhaps for a wedding or to ease the financial effects of a divorce.
- **Clients who are reluctant to enter long-term care.** They (or their partner) may want to remain in their own home but need help with the costs of adapting their home and/or daily healthcare support.
- **Clients who are looking to prefund the cost of a funeral plan** for themselves and their partner, but may not have the cash resources available.

Later life planning – things to remember

It's possible to either service or roll up the interest on a lifetime mortgage. It's also possible to take an initial advance with an added pre-arranged drawdown facility.

The Just For You lifetime mortgage provides the option of a cash facility and the option to service monthly interest payments.

Another option is a home reversion plan. This is where a percentage of ownership is transferred to the home reversion provider from the start of the policy. No interest is charged as home reversion is not a mortgage or loan. It's important to note that clients will receive less than the current market value for the share sold. Please note, Just do not offer a home reversion plan.

Already qualified?

Then your dedicated account manager can help grow your equity release business, using our wide range of tools and marketing support.



Equity release won't be right for everyone. It can affect your client's entitlement to state benefits and it will reduce the value of their estate. Gifting money may be subject to inheritance tax.

FOR MORE INFORMATION

Call: **0345 302 2287**

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

Or visit: **justadviser.com**

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

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

FT ADVISER

