

Equity Release using a Lifetime Mortgage – Case studies

Before reading this, please see our other factsheets for more information about Equity Release

Here are 2 very different case studies demonstrating the ways in which a Lifetime Mortgage, the most used type of Equity Release, has helped clients at AV Trinity:

1. Mrs H.

We recommended a lifetime mortgage for her 2 years ago when she was 79. She was a widow. Owned her house outright worth £1m. She had Parkinson's and needed full time care. She didn't want to go into a care home – she loved her house and her two dogs.

The costs of care at home was £1,400 per week. She had state pension, other pension and attendance allowance but there was still a £707 per week shortfall. That's £37,000 per year.

We set up a Lifetime Mortgage with a 'cash reserve facility'. Mrs H took an initial amount of £20k, and she then drew down around £18,500 every six months to meet her care costs. Sadly, she died recently, and the amount owing was around £119,000. However, the value of her house had gone up to £1.1m, so her two sons still had a worthwhile inheritance. They were very grateful as the lifetime mortgage allowed her to stay in her home, which gave her peace of mind until she passed away

2. Mr M.

Is 67 years old, living in a house worth £400k. He had an outstanding mortgage of £57k and was struggling to make the payments from his pension. We set up a Lifetime Mortgage with a provider that was prepared to lend up to £110,000.

He borrowed £57,000 to pay off his mortgage, and he has £53k in his cash reserve to call upon if he needs it.

He is now enjoying his retirement as his pension goes further and his home is no longer at risk.

A Lifetime Mortgage is now a widely used way of releasing equity from a home. It is now heavily regulated, the plans are all much more flexible and the cash reserve type plans mean you don't have to secure a large loan on the property, you can take what you need when you need it and you are not setting the 'interest clock' ticking on funds you don't need yet, but the funds are there for when you do need them.



Speak to one of our experienced and fully qualified male or female Equity Release experts who will guide you with clarity, sensitivity and discretion.

To understand the features and risks of a Lifetime Mortgage, ask for a personalised illustration. If you may be considering a Home Reversion Plan, check that this type of mortgage will meet your needs if you want to move or sell your home or you want your family to inherit it. If you are in any doubt, seek independent advice

An initial discussion over a cup of coffee will cost you nothing so please make contact on –

01892-612500 or info@avtrinity.com



All information has been prepared with care to ensure accuracy and is based upon our understanding of legislation and HMRC practice, which can be subject to change. This is intended to provide information only and should not be considered as advice.

