

Helping you identify the types of clients our **Lifetime Mortgages** are suitable for

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A drawdown lifetime mortgage is more relevant than ever

In uncertain and fast-changing times more and more families are looking for flexible, long-term financial support from a brand they can trust. Clients are also considering how they can leverage their property to secure a more stable income and live comfortably, which means equity release is becoming a particularly attractive option. Now advisers can offer their clients a broad range of up-to and in-retirement solutions to suit individual needs with a more tailored solution using our lifetime mortgage products.

Lifetime Mortgage Drawdown+

Typically, our Lifetime Mortgage Drawdown+ is suitable for clients who:

- are 55 to 84 years old
- need the option to borrow more later on, from a pre-agreed facility
- need clarity about when the pre-agreed facility will/ will not be paid, simply defined in the terms and conditions
- own a property worth more than £100k which is in England, Wales or Scotland
- require a lump sum of at least £10k and the flexibility of future withdrawals
- wish to know about any early repayment charges upfront.
- want downsize protection included for full repayment from year five onwards
- do not intend to repay the loan during their lifetime.

Our Lifetime Mortgage Drawdown+ is not designed for clients who:

- are under the age of 55 or over the age of 84, or couples where the younger person is less than 55 or above 84
- do not meet our eligibility criteria or their property does not meet our lending criteria
- need to maximise the release of equity upfront (where a high loan to value product could be more suitable)
- feel it's important to maximise the inheritance to their beneficiaries or leave their property as an inheritance. The accumulation of interest can significantly reduce the remaining equity in the property and the property may have to be sold to repay the total debt
- have other means of accessing income or capital and may not need a lifetime mortgage. For example, customers who can sell their property and downsize to a smaller property
- want to use the lifetime mortgage funds for reasons we would consider risky, such as investing
- want a short-term loan which they intend to repay within a few years
- don't intend to use their property as their main residence or would like to let their property out
- are currently receiving or are eligible for means tested State Benefits, as the amount released could impact benefits received now or in the future.

Lifetime Mortgage Lump Sum+

Typically, our Lifetime Mortgage Lump Sum+ is suitable for clients who:

- are age 55 to 84 years old
- want downsize protection included for full repayment from year five onwards
- own a property worth more than £100k which is in England, Wales or Scotland
- wish to release a modest to significant amount of equity from their home
- do not intend to repay the loan during their lifetime
- would like the certainty of knowing upfront what the charges would be if they did.

Our Lifetime Mortgage Lump Sum+ is not designed for clients who:

- are under the age of 55 or over the age of 84, or couples where the younger person is less than 55 or above 84
- do not meet our eligibility criteria or their property does not meet our lending criteria
- feel it's important to maximise the inheritance to their beneficiaries or leave their property as inheritance. The accumulation of interest can significantly reduce the remaining equity in the property and the property may have to be sold to repay the total debt
- have other means of accessing income or capital and may not need a lifetime mortgage. For example, customers who can sell their property and downsize to a smaller property
- want to use the lifetime mortgage funds for reasons we would consider risky, such as investing
- may require access to smaller withdrawals in the future
- want a short-term loan which they intend to repay within a few years
- don't intend to use their property as their main residence or would like to let their property out
- are currently receiving or are eligible for means tested State Benefits, as the amount released could impact benefits received now or in the future.

Lifetime Mortgage Drawdown Lifestyle

Lifetime Mortgage Drawdown Lifestyle

Our Drawdown Lifestyle product is suitable for clients who:

- are 55 to 90 years old
- need the option to borrow more later on, from a pre-agreed facility
- need clarity about when the pre-agreed facility will/ will not be paid, simply defined in the terms and conditions
- own a property worth more than £100k which is in England, Wales or Scotland
- require a lump sum of at least £10k and the flexibility of future withdrawals
- wish to know about any early repayment charges upfront.
- want downsize protection included for full repayment from year five onwards
- want to protect a percentage of their property, to leave some property wealth for beneficiaries when they die.
- do not intend to repay the loan during their lifetime.

Our Drawdown Lifestyle product is not designed for clients who:

- are under the age of 55 or over the age of 90, or couples where the younger person is less than 55 or above 90
- do not meet our eligibility criteria or their property does not meet our lending criteria
- need to maximise the release of equity upfront (where a high loan to value product could be more suitable)
- feel it's important to maximise the inheritance to their beneficiaries or leave their property as an inheritance. The accumulation of interest can significantly reduce the remaining equity in the property and the property may have to be sold to repay the total debt
- have other means of accessing income or capital and may not need a lifetime mortgage. For example, customers who can sell their property and downsize to a smaller property
- want to use the lifetime mortgage funds for reasons we would consider risky, such as investing
- want a short-term loan which they intend to repay within a few years
- don't intend to use their property as their main residence or would like to let their property out
- are currently receiving or are eligible for means tested State Benefits, as the amount released could impact benefits received now or in the future.

Lifetime Mortgage Lump Sum Lifestyle

Our Lump Sum Lifestyle product is suitable for clients who:

- are age 55 to 90 years old
- want downsize protection included for full repayment from year five onwards
- own a property worth more than £100k which is in England, Wales or Scotland
- wish to release a modest to significant amount of equity from their home
- do not intend to repay the loan during their lifetime
- would like the certainty of knowing upfront what the charges would be if they did.
- want to protect a percentage of their property, to leave some property wealth for beneficiaries when they die.

Our Lump Sum Lifestyle product is not designed for clients who:

- are under the age of 55 or over the age of 90, or couples where the younger person is less than 55 or above 90
- do not meet our eligibility criteria or their property does not meet our lending criteria
- may require access to smaller withdrawals in the future
- feel it's important to maximise the inheritance to their beneficiaries or leave their property as an inheritance. The accumulation of interest can significantly reduce the remaining equity in the property and the property may have to be sold to repay the total debt
- have other means of accessing income or capital and may not need a lifetime mortgage. For example, customers who can sell their property and downsize to a smaller property
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Case study 1

Income lan

Age: 65-74

Persona: Ian looked forward to retirement after his career as a builder took its toll physically. He has inexpensive tastes but he and his wife are passionate football fans which is proving expensive.

Life stage: Recently retired.

Consumer classification: Financially stretched. A retired builder, annual income £19k, married.

Property: Greater London, semi-detached, property worth £510k, mortgage free.

Hobbies and lifestyle: Football, travel, DIY, TV and music.

Ian's priorities

Ian doesn't need a life of luxury, friends and family matter more, but he bought his home at the right time and wants to use it for comfort and freedom, especially as his pension has taken a hit recently so he has less than planned.

- Ian has always lived frugally and avoids lavish purchases, so a modest top up here and there will suit him just fine.
- Priding himself on good money management, Ian always likes to know the cost of repayment without fuss.
- Ian has a lovely home but it's on the large side, he needs the space now but perhaps not in the future.
- Working as a builder all his life has allowed Ian to do what he loves, but it has taken its toll on him physically.
- Ian is sceptical by nature but likes LV's mutual status and familiar brand, which gives him peace of mind.



Ian's ideal features

Ian is looking to fill a pension shortfall as his monthly pension is too low for his desired lifestyle. He needs a regular income boost.

- Flexible withdrawals provide options to borrow more later, from a pre-agreed facility with low minimum withdrawals.
- The loan can usually be transferred to another property if Ian wants to move home*. If the new property is worth less than the borrower's existing home then part of the existing loan may have to be paid back.
- Raise cash without the need to move, but with the option to if situation changes.
- **Added benefits:** wellbeing support with LV= Doctor Services and Care Navigator.
- Trusted mutual brand and a provider of 5* lifetime mortgages.

*Subject to terms and conditions.

Case study 2

Lifestyle Lisa

Age: 65-74

Persona: Lisa makes the most of retirement, with plenty of hobbies and friends to keep her busy. She has no intention of slowing down – in fact she wants to do more. But her income is restricting.

Life stage: Retired for 5+ years.

Consumer classification: Comfortable Senior. Retired teacher, annual income £25k, widow.

Property: East of England, semi-detached, property worth £425k, mortgage-free.

Hobbies and lifestyle: Travel, gardening, theatre, dining out, painting.

Lisa's priorities

Lisa worked long hours throughout her life and is making up for it in retirement. She wants to enjoy life to the full and keep up with friends and family commitments.

- Lisa and her friends love spontaneous fun but it doesn't come cheap.
- Lisa would rather take a small amount more often as this makes her more comfortable.
- Lisa doesn't want to worry about money and confusing charge structures – "keep it simple please".
- Lisa isn't getting any younger and the recent pandemic has made her more worried about healthcare availability.
- The news worries Lisa so she needs a brand she knows will stick around, and has had many LV= products in the past.

**Lisa's ideal features**

Lisa's disposable income doesn't fully cover her desired lifestyle. She'd like more freedom to invest in home improvements and hobbies while remaining financially secure.

- Raise cash without the need to move, but with the option to if situation changes.
- Flexible withdrawals provide options to borrow more later, from a pre-agreed facility with low minimum withdrawals. The option to apply for a further advance at any time, once the original maximum loan has been exhausted which would be subject to a new property valuation
- **Added benefits:** wellbeing support with LV= Doctor Services and Care Navigator.
- Trusted mutual brand and a provider of 5* lifetime mortgages.

Case study 3

Generous Greg

Age: 70+

Persona: Greg has a big family with lots of grandchildren and spends as much time as he can with them. He wants to help them get a head start in life financially, but his wealth is locked up in property.

Life stage: Retired for 5+ years.

Consumer classification: Affluent Achiever. A retired solicitor, annual income £56k, divorced.

Property: South-East England, detached, property worth £710k, mortgage free.

Hobbies and lifestyle: Travel, gardening, cookery, reading, music.

Greg's priorities

Greg has had a privileged life and enjoys giving and supporting the people closest to him. It's important they're well cared for when he is gone. Greg is starting to experience occasional memory loss and it's important for him to start thinking about how he can support his family now, so they are cared for when he is gone.

- Greg has a close-knit family who all live quite close. He loves his house and being the entertainer.
- Greg likes his lifestyle and doesn't want to compromise on the things he enjoys doing but still wants to help his family financially.
- Transparency is important to Greg; he has had a bad experience in the past so needs all the information.
- Greg lives in a densely populated area and his doctor surgery has terrible waiting times, which sometimes worries him.
- Mutuals have earned Greg's respect over the years and he loves their history of helping communities like his.



Greg's ideal features

Greg's pension provides sufficient income but doesn't stretch to supporting his family. He wants to give generously, but in the most tax-efficient way.

- Raise cash without the need to move, but with the option to if situation changes.
- Flexible withdrawals provide options to borrow more later, from a pre-agreed facility with low minimum withdrawals.
- Fixed and transparent early repayment charges (ERCs) with a defined end date, after which ERCs won't apply, as well as an ERC free partial repayment allowance.
- A guarantee that if the total debt is greater than the amount of the property when it is sold to clear the loan, neither the borrower, nor their family will be asked to make up the difference. We call this a 'no negative equity guarantee'.
- **Added benefits:** wellbeing support with LV= Doctor Services and Care Navigator.
- Trusted mutual brand and a provider of 5* lifetime mortgages.

Case study 4

Debt Clearing Debs

Age: 60-64

Persona: Debs has had a challenging but rewarding career and is now looking forward to freedom, quality time with friends, and her hobbies.

Life stage: Transitioning into retirement.

Consumer classification: Solitary Senior. Part-time nurse, annual salary £16k, divorced.

Property: Small flat in Kent worth £140k, with a small mortgage.

Hobbies and lifestyle: Caravanning, gardening, tennis, cookery, music.

**Debs' priorities**

Debs isn't as prepared as she'd like to be in retirement, so is taking action now to make sure she is more comfortable in later life.

- With lots of amazing friends in her area, Debs doesn't want to move for the foreseeable future.
- Transitioning into retirement, Debs wants the reassurance of knowing she has access to money if needed.
- Debs needs to be very careful in planning her future as she can't afford mistakes, so needs to rely on her lender.
- Debs loves caravanning with family and friends and she would love to be in a position to purchase one, so she can enjoy more regular holidays.
- Debs likes to keep on top of her finances and know exactly what is owed without having to do complex calculations.

Debs' ideal features

- Debs needs a cash boost to help repay an interest only mortgage (she has no repayment vehicle) and outstanding unsecured loan, and to support her longer term plans. She is looking for:
- Access cash without the need to move or downsize.
- To release a one off lump sum against the value of the property
- A trusted brand and a provider of industry recognised lifetime mortgages for their quality.
- No interest repayments throughout the life of the loan.
- Fixed and transparent early repayment charges (ERCs) with a defined end date, after which ERCs won't apply, as well as an ERC free partial repayment allowance.

Case study 5

Home Care Claire

Age: 75+

Persona: Claire had a successful career and a comfortable retirement, but her health has deteriorated and paying for in-house care to keep her independence is proving costly, impacting her savings.

Life stage: Retired for 20+ years.

Consumer classification: Asset-Rich Grey. Retired company director, annual income £28k, widow.

Property: South-West England, detached, property worth £635k, mortgage free.

Hobbies and lifestyle: Socialising, cinema, reading, music.

Claire's priorities

Claire worries that she is going to lose her independence and move into a care home. She is very proud and mentally well, but her physical health means she needs a lot of help.

- Comfort and independence are Claire's top priorities. There's no use having money locked away when she needs it now.
- Claire needs reassurance she has access to money when needed and she has big plans for her garden, but will need some help to achieve it which will cost her money.
- Claire needs to see her doctor regularly, so fast and convenient access to expert medical services sounds great.
- Claire is happy in her two-story house for now, but the stairs might be an issue in the future.
- Claire has enough to worry about without adding complicated charges to the mix.

**Claire's ideal features**

Claire will need extra support at home but doesn't have the money to pay for it. She needs a lump sum for home alterations and medical bills to cover ongoing care costs.

- More flexible interest rate which is linked to LTV (the maximum loan to value is determined as a percentage of the property value, using the age of the youngest applicant).
- To release a one off lump sum against the value of the property.
- **Added benefits:** wellbeing support with LV= Doctor Services and Care Navigator.
- Raise cash without the need to move house, downsize or go in to a long term care home.
- Fixed and transparent early repayment charges (ERCs) with a defined end date, after which ERCs won't apply, as well as an ERC free partial repayment allowance.

Helping you to support your clients

If a lifetime mortgage is the most suitable option for your client, it's important that they consider discussing their decision with family. A lifetime mortgage may impact any inheritance they want to leave to family or beneficiaries in the future, so it's beneficial for clients to involve their loved ones in the decision making process.

Your client should also consider if the lifetime mortgage will impact their entitlement to any state benefits they are currently receiving.

Identifying a vulnerable customer

We understand that due to the age demographic of those seeking a lifetime mortgage alongside the nature of the products that some clients may have characteristics of vulnerability at the point of advice and/or during the duration of the mortgage.

We recognise the important role that an adviser undertakes supporting clients with their needs including identifying potential vulnerabilities. A vulnerable person may require bespoke support and if we can assist in providing you with additional guidance or support, we'll be happy to help.

For more information on identifying a vulnerable customer, read our [Vulnerable Customer Guide](#)

LV= Doctor Services is a confidential service powered by Square Health and medical data will not be shared with LV=.

LV= Doctor Services, and the services available through Care Navigator are provided by third party companies. These services are not regulated by the Financial Conduct Authority or the Prudential Regulation Authority.

LV= Doctor Services and Care Navigator are non-contractual benefits and can be changed or removed at any time.

If you think that one of our Lifetime Mortgage products might be right for your clients, get in touch today. Your usual consultant will be happy to help, or



0800 028 8974 (option 1)



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Lines are open 8:30am – 5pm Monday to Friday. For textphone dial 18001 first.
We will record and/or monitor your calls for training and audit purposes.

If you'd like us to send you this document or any future correspondence in another format, such as Braille or large print, please just let us know.

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