

JUST.

OUR LIFETIME MORTGAGES

CUSTOMER GUIDE

**USING THE VALUE
IN YOUR HOME
FOR A BETTER
RETIREMENT**



WHO ARE WE?

We are Just. We believe that everyone deserves a fair, secure and fulfilling retirement. We're here to help you get the most out of yours.

We were created after the merger of Just Retirement and Partnership Assurance in 2016, and the Just brand represents the passion and purpose of these two businesses.

We're a leading provider of lifetime mortgages, and we've helped customers release more than £3.5 billion from their properties.

When you take out a lifetime mortgage with us, you're dealing with a company that your financial adviser recognises as a trusted name in providing retirement solutions.



We were awarded a tenth consecutive '5-star' accolade in the 'Mortgages' category at the 2017 Financial Adviser Service Awards.



We've already helped more than 100,000 customers to release equity from their homes.



At the heart of our brand is a social purpose, and our mission is to help one million people with the challenges of later life. Read more on our website, wearejust.co.uk.





Our values

At Just, we want to do everything we can to help you make the best decision about your finances – we want to make a difference. That’s why we do our best to give you open and honest information, written in plain English.

We also believe it’s important to treat you fairly from the moment you apply, throughout the entire time you have your lifetime mortgage with us.

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This guide will show you the financial benefits our lifetime mortgages can bring. You must speak with a financial adviser before taking out a lifetime mortgage with us.

LIFETIME MORTGAGES

A lifetime mortgage is a form of equity release, secured against your home. It allows you to borrow against the value of your home to raise money. This guide gives you information on the lifetime mortgages we offer. These may be suitable for you if you are aged 60 or over and own a property within England, Wales, Scotland or Northern Ireland which you use as your main home. The property must also be worth at least £70,000. The Lump Sum Lite and Lump Sum Plus Lifetime Mortgages are not available in Northern Ireland.

Retirement is a time for making important choices and decisions about how to get the most out of your income.

You may already have a pension and savings, but are they enough for you to live on? If you have equity (the value of your home, minus any debts that you may have secured against it) in a property you own, one way you can improve your finances in retirement is through releasing some of this equity. Our lifetime mortgages allow you to free up some of the money built up in your home, without having to move.

You can use lifetime mortgages for many different reasons. You may want to ease any money worries you may have, give a gift to family members, use it for home improvements, take that long-awaited 'once in a lifetime' trip, or just maintain your lifestyle. In fact, you can use lifetime mortgages for almost anything you can think of.

PRODUCTS SUITED TO YOUR CIRCUMSTANCES

Depending on your needs, you can choose to either release an initial amount coupled with the added flexibility of a cash facility from which you can release extra money as you need it. Or, you can release a larger lump sum. The option you choose can affect the interest rate charged. For more information please see the glossary at the end of this document.

NO NEED TO MOVE

You can continue to live in your home and may benefit from further increases in its value.

NO REPAYMENTS

You won't have to make any monthly repayments for the length of your lifetime mortgage. The mortgage will be repaid when you (or both of you if you are borrowing jointly) have died or moved into permanent long-term care.

NO-NEGATIVE-EQUITY GUARANTEE

Your lifetime mortgage includes a no-negative-equity guarantee. This means that when the property is sold after you die or have moved into permanent long-term care, you or your beneficiaries will not have to repay more than the sale proceeds. Even if this is less than the amount owed. There is no extra charge for this guarantee.

A CONSIDERED APPROACH

You need to consider lifetime mortgages very carefully. You should discuss all of your options with your financial adviser, who will be able to help. If you don't already have a financial adviser, unbiased.co.uk can help you to find one in your area.



We offer the following lifetime mortgages.

- the Drawdown Lifetime Mortgage
- the Lump Sum Lite Lifetime Mortgage
- the Lump Sum Plus Lifetime Mortgage

All our lifetime mortgages are secured against your home and allow you to release equity from your home without having to make monthly repayments.

The interest rate for each advance is set at the time the advance is taken. For more information on this please go to page 8.

Interest will build up each year on a compound basis, meaning that interest is charged each year on the amount of the mortgage as well as interest from previous years. The more years that pass before the mortgage is repaid, the bigger the final total interest charge.

You can repay some of your lifetime mortgage without having to pay an early repayment charge. You can pay back up to 10% of each advance amount in each 12-month period after the completion date of the advance. The overall amount you owe us must not fall below £10,000.

The mortgage must be repaid within 12 months from when you (or both of you, if you are borrowing jointly) have died, or moved into permanent long-term care. For example, this might be if you move into a care home or live with and are cared for by relatives on a permanent basis due to medical necessity.

If you're borrowing jointly you can also fully repay the mortgage within three years of one of you dying or moving into permanent long-term care without early repayment charges applying.



OUR LIFETIME MORTGAGES

DRAWDOWN LIFETIME MORTGAGE

We've designed the Drawdown Lifetime Mortgage to let you release an initial lump sum now, with the option to take extra amounts in the future.

You can choose to borrow the maximum amount available to you as a one-off lump sum, or you can choose to borrow a smaller amount at first (this must be at least £10,000) and borrow extra amounts at a later date from a pre-agreed cash facility.

The total amount of your cash facility (including the initial advance) will be the lowest of the following:

- £600,000 (£250,000 in Scotland, Northern Ireland and Wales)
- the maximum Loan to value (LTV), or
- three times the initial advance.

The unused cash facility will be the balance of this amount after you have taken the initial advance. The maximum unused cash facility you can have is £200,000.

You are free to use your unused cash facility either every year or when you decide. However, each time you must take at least £2,000.

We can suspend the unused cash facility in a number of situations as outlined in the document 'A guide to your cash facility'.

LUMP SUM LITE LIFETIME MORTGAGE

The Lump Sum Lite Lifetime Mortgage is designed for those who want to release a one-off lump sum without the option to access more money in the future from a pre-agreed cash facility.

It usually allows you to borrow a higher amount than the Drawdown Lifetime mortgage, but normally at a higher interest rate.

The maximum amount you could borrow is £600,000 in England, and £250,000 in Scotland and Wales. The Lump Sum Lite Lifetime Mortgage is not available in Northern Ireland.

LUMP SUM PLUS LIFETIME MORTGAGE

The Lump Sum Plus Lifetime Mortgage is designed to provide you with access to the maximum possible share of the money locked up in your home, as a one-off lump sum.

The amount you can borrow through our Lump Sum Plus Lifetime Mortgage will usually be higher than the amount available through our Drawdown or Lump Sum Lite Lifetime Mortgages but at a higher interest rate.

The maximum amount will depend on a number of factors, including your age and the value of your property. We can also take into account your health and lifestyle conditions when working out the maximum amount available to you.

The product offers two levels of loan to value (LTV).

- Standard LTV. Giving you easy access to a larger lump sum than would be available through our Drawdown Lifetime Mortgage or Lump Sum Lite product, but usually at a higher interest rate.
- Enhanced LTV. You may be able to borrow an even higher amount based on your medical and lifestyle conditions. The interest rate for the enhanced LTV is usually higher than the interest rate for the standard LTV.

The maximum amount you could borrow is £600,000 in England and £250,000 in Scotland and Wales. The Lump Sum Plus Lifetime Mortgage is not available in Northern Ireland.

OTHER COMMON QUESTIONS

When you retire, perhaps some of the most important choices you're likely to face are the ones that involve getting the most out of your retirement income. To help you understand whether lifetime mortgages are right for you, we've answered some of the most frequently asked questions below.



Am I eligible?

To be eligible for one of our lifetime mortgages you must:

- be aged 60 or over (this applies to the youngest applicant if you are making a joint application)
- own a property in the UK worth over £70,000 which is your main home, and
- have an acceptable property – your financial adviser will check this for you as we do have some restrictions.

You can have an outstanding mortgage and still apply for a lifetime mortgage but the mortgage must be paid off using some or all of the money you release. The minimum amount you can take with a Just lifetime mortgage is £10,000.



Will it affect my state benefits?

Some benefits are means-tested (they depend on your income and outgoings), so may be affected by the decision to release equity in your home. Examples include Pension Credit, Council Tax Reduction and health benefits. You should make sure you have all the facts before you decide to go ahead. Your financial adviser will be able to give you more guidance on this.



What are the costs involved?

The costs you may have to pay are shown below.

Valuation fee

You will pay this by cheque, with your application.

Arrangement fee

You can pay this by cheque upfront or we can add it to the value of the mortgage. If we do add the arrangement fee to the value of the mortgage, we will charge interest on this.

Specialist report

If we need a special report for any reason, you'll need to cover the cost of this as part of our lending conditions.

Legal fees

You'll be responsible for your own legal fees.

Authorised financial adviser

You may be charged a fee for the advice and service they provide to you.

Please ask for a personalised illustration that shows the individual costs associated with your chosen lifetime mortgage. You can also ask us for a tariff of charges.



Should I discuss my plans with my family?

While the decision is always yours, we've found that keeping your family informed about your potential plans is always a good idea. Some family members may be happy for you to consider equity release, others may not be.

Remember, when you die, repaying the mortgage and interest will reduce the value of your estate. So, it is important to check out all your options carefully.



How is interest charged on the money I borrow?

The interest rate you are charged will be set according to our interest rates at the time you take out your initial advance. The rate is fixed and so guaranteed not to change over the lifetime of your mortgage. If you are eligible for an additional advance in the future, the interest rate for those advances will be set at that time and may be higher or lower than the rate you are paying on your initial advance.

The interest rate charged on your lifetime mortgage will build up on a compound basis, which means interest will be charged on the amount of your mortgage as well as the interest that has built up in previous years. The total mortgage, including this interest, is repaid when you (or both of you if borrowing jointly) die or if you move permanently into long-term care. This is normally done by selling your property.

Please remember that the interest rates charged on our Lump Sum Lite and Lump Sum Plus Lifetime Mortgages are usually higher than the rate for our Drawdown Lifetime Mortgage. The Lump Sum Lite and Lump Sum Plus Lifetime Mortgages allow you in most cases to borrow a higher amount. This could be valuable if you need access to the higher amount, but the amount of your mortgage will be higher than an equivalent Drawdown Lifetime Mortgage at the time it is repaid due to both the higher amount borrowed and the higher interest rate applying to that borrowing.

You should think carefully about how much you need to borrow, and which product would be a suitable option. Your financial adviser will be able to help with this.



What if my circumstances change?

Moving house

If you want to move home you may be able to transfer your lifetime mortgage to a new property if we find the new property acceptable. If you transfer your lifetime mortgage to a new property, we may reduce your cash facility and you may need to repay some of the amount owed.

Extra borrowing

When you've used your cash facility, you may choose to apply to us to increase it. Depending on your circumstances, the value and condition of the property and our lending criteria at the time, we may agree to provide extra borrowing. You cannot borrow more on the Lump Sum Lite and Lump Sum Plus Lifetime Mortgages for six months following completion of the original mortgage. Even if you apply for extra borrowing, we do not guarantee to accept your request.

Property title changes

If you want to make a change to the legal title to your property, sell part of the land, or formalise a right of way, you will need to get our approval. You'll have to pay our legal and re-inspection valuation costs, which will depend on the nature of the proposed change. The re-inspection fee is based on the estimated value of your property.

Optional partial repayments

You can repay some of your lifetime mortgage without having to pay an early repayment charge. You can pay back up to 10% of each advance amount in each 12-month period after completion, but the overall amount you owe us must not fall below £10,000.

Early repayment charge

An early repayment charge is a charge that you may have to pay if you pay back your lifetime mortgage early. If you repay the lifetime mortgage in full before you die, or move into permanent long-term care, we treat this as an early repayment.

You may also need to pay an early repayment charge if you pay back more than 10% of an advance amount in any 12-month period after the completion date of the advance.

We have a separate guide that explains the early repayment charge in greater detail. Please call us or speak to your financial adviser if you would like a copy.

THINGS TO REMEMBER

- Interest builds up only on amounts that you borrow and not on any unused cash facility on your initial advance.
- The interest rate you pay on your initial advance will be fixed at the time you take out your mortgage, and is guaranteed not to change. If you have a cash facility and take an additional advance, the interest rate for that will be set at that time and may be higher or lower than the rate you are paying on your initial advance.
- Interest builds up on a compound basis, which means interest will be charged on the amount of your mortgage as well as the interest that has built up in previous years.
- The total amount you owe, including any interest, will usually be repaid from the eventual sale of the property when you die or move into permanent long-term care.
- As with any mortgage arrangement, it's a decision which you will need to consider carefully.
- Your lifetime mortgage is a lifelong commitment and is designed to be repaid when you (or both of you if you are borrowing jointly) have died or moved into permanent long-term care. If you repay your lifetime mortgage early, you may have to pay a substantial early repayment charge. For more information please see the early repayment charge guide.
- Lifetime mortgages aren't right for everyone and may affect your entitlement to state benefits.
- Lifetime mortgages will reduce the value of your estate.
- We do not consider that lifetime mortgages are a suitable product for customers looking to raise capital to invest and will not lend to you if you put this as the stated mortgage purpose.
- A lifetime mortgage is secured against your home.

GLOSSARY

Additional advance	An amount of money you take from the unused cash facility after taking the initial advance.
Advance	Any amount of money we pay to you as a loan secured against your home.
Amount owed	The total amount of money that you must pay us in connection with your lifetime mortgage.
Arrangement fee	A fee you must pay us for arranging your lifetime mortgage or when applying to make changes to your lifetime mortgage.
Cash facility	<p>A fixed amount of money, shown in your offer, from which you will take the initial advance and which you can use to take additional advances as you need them.</p> <p>The cash facility is paid in full as an initial advance if you take out a Lump Sum Lite or Lump Sum Plus Lifetime Mortgage. As a result, there will be no unused facility after the initial advance.</p>
Early repayment charge	A charge that you may have to pay if you pay back your lifetime mortgage early, or if you pay back more than 10% of the advance amount in any 12-month period following the completion date of the advance. We consider an early repayment to be any time before the end of your life or before you have moved into permanent long-term care. If borrowing jointly, we won't charge an early repayment charge if the lifetime mortgage is repaid within three years of one borrower dying or going into permanent long-term care.
Initial advance	The amount of money shown in your initial advance offer that you take from your cash facility when your lifetime mortgage completes.
Loan to value (LTV)	The maximum percentage of the property value that may be available, based on your age. The LTV may also be based on your health and lifestyle under the Lump Sum Plus Lifetime Mortgage.
Long-term care	A time when due to your physical or mental medical condition you are no longer able to live in your property and you are receiving care away from the property on a permanent basis.
Unused cash facility	The amount of money left in the cash facility available for you to take additional advances from (after you've taken your initial advance and any other additional advances).

WE ARE A MEMBER OF THE EQUITY RELEASE COUNCIL



The Equity Release Council is an organisation supported by leading providers of equity release. It was created to make sure that equity release products are safe and accessible for consumers

The Equity Release Council exists to promote high standards of conduct and practice in the provision of and advice on equity release. Members will:

- Ensure that all their actions promote public confidence in equity release as a potential retirement solution
- Act at all times in utmost good faith
- Communicate high expectations for equity release outcomes in all their dealings
- Ensure conflicts of interest are managed fairly and reduced to the lowest practical level
- Exercise due skill, care and diligence in all that they do and uphold the standards set out by their professional bodies at all times
- Always act with the best interests of their clients being paramount, treating customers fairly in all their actions.

Members are only allowed to inform you that a product meets the product standards if it meets all of them. The Equity Release Council product standards are as follows:

- For lifetime mortgages, interest rates must be fixed or, if they are variable, there must be a 'cap' (upper limit) which is fixed for the life of the loan

- You must have the right to remain in your property for life or until you need to move into long-term care, provided the property remains your main residence and you abide by the terms and conditions of your contract
- You have the right to move to another property subject to the new property being acceptable to your product provider as continuing security for your equity release loan
- The product must have a 'no negative equity guarantee'. This means that when your property is sold (after you die or have moved into permanent long-term care) and agents' and solicitors' fees have been paid, even if the amount left is not enough to repay the outstanding loan to your provider, neither you nor your estate will be liable to pay any more.

These product standards offer you peace of mind, and means you can use equity release products in confidence, knowing that you will be able to stay in your home for the rest of your life or until you enter long-term care.



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FOR MORE INFORMATION

Call: **01737 233297**

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

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

Or visit our website for further information: **wearejust.co.uk**

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