



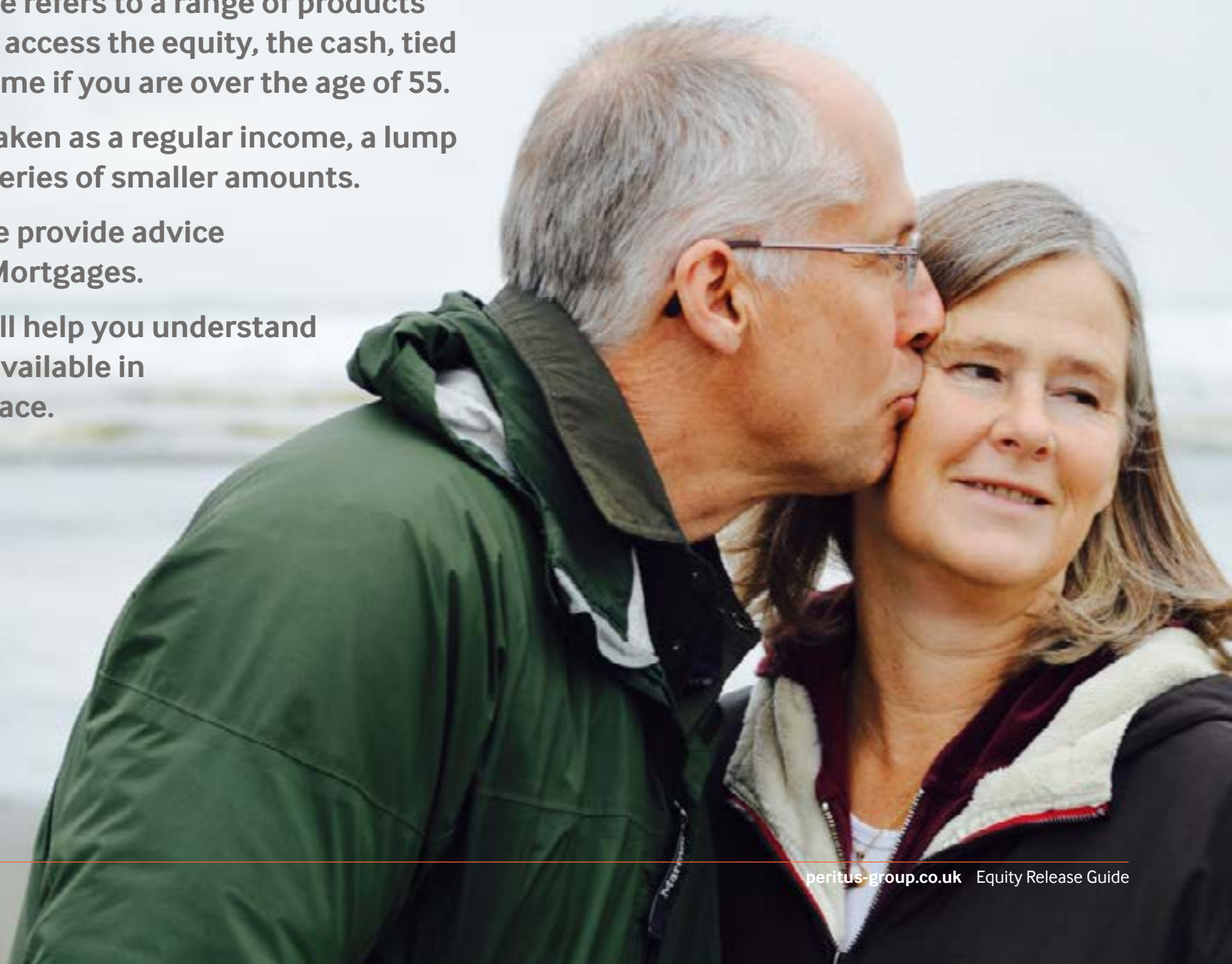
# Equity Release Guide

**Equity release refers to a range of products enabling you access the equity, the cash, tied up in your home if you are over the age of 55.**

**This can be taken as a regular income, a lump sum or as a series of smaller amounts.**

**At Peritus, we provide advice on Lifetime Mortgages.**

**This guide will help you understand the options available in the marketplace.**



# What is equity release?

This type of mortgage releases money tied up in your property and you do not have to leave your home as a result, which relieves any pressure of having to move to a new house. You must own your own home in the UK and be between 55 and 95 in order to qualify.

There are many reasons why you may be thinking about releasing equity that is tied up in your home:

- Top up your pension income
- Assist your family with a deposit for a house
- Planning to go on special holiday or trip
- To make improvements or changes to your property
- To pay off some debt, i.e. mortgage or loan



Top up your pension



Assist your family with a deposit for a house



Go on special holiday or trip



Make improvements to your property



Pay off some debt, i.e. mortgage or loan

# What types of plans and schemes are available for equity release?

The main plans are:

## A Lifetime Mortgage

This is a mortgage that is secured against your residence and you will not have to make any monthly payments once you have received your lump sum following the release of the equity in your property. The interest is 'rolled up,' which means that you will not pay any interest until the end of the loan (usually on your death). At the end of the loan, you will pay back the interest and the loan amount when the property the mortgage is secured against is sold. **We provide advice on Lifetime Mortgages.**

## Drawdown plan

When you are thinking about releasing equity from your property, you might want to consider a plan that has a drawdown facility. This allows you to access the money as and when you need it rather than having it all in one go. The benefit of contemplating this option of equity release is that it could reduce the amount of money you owe once the scheme comes to an end as you only start to accrue interest once you have drawn the funds. **We provide advice on Drawdown Plans as these are a type of Lifetime Mortgages.**

## A Home Reversion Plan

You can sell all or part of your property and receive either a regular income to top up your pension or a tax-free lump sum. You do not have to pay any monthly payments as this type of scheme includes a guaranteed lifetime lease. This means you can remain in your home until you die and do not have to pay anything back. On your death, your house will be sold and the lender, who you took the equity release scheme out with, will receive its loan back from the sale proceeds of the house. **We do not provide advice on Home Reversion Plans.**

## Anything else to know?

Whilst taking out an equity release plan does give you a boost to your finances, it is also vital that you are aware of some of the consequences. If you take advice from us about a Lifetime Mortgage, we will discuss both the advantages and disadvantages with you before you make a decision. The value of your estate will reduce and your right to state benefits may also be affected as releasing equity from your home may take you over strict thresholds.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.

Home reversion plans and lifetime mortgages are complex products. A lifetime mortgage is a loan secured against your home. To understand the features and risks, ask for a personalised illustration. Equity release will reduce the value of your estate and may affect your entitlement to means tested benefits.



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