**Later Life Lending: Navigating Benefits and Drawbacks**

Releasing money from your property without selling may sound like a great offer, but it's important to consider this option carefully. In this blog, we will explore the advantages and factors to consider before deciding to take out a lifetime mortgage.

**What are the positives of a lifetime mortgage?**

A lifetime mortgage has many different positives attached to it. Some of them are:

* Able to spend it how you like

The money obtained from a lifetime mortgage can be used for any purpose, such as supporting your grandchildren through university or increasing your retirement income further.

* Different ways of repayment

With a lifetime mortgage, you have the opportunity to pay some or all of the interest. You can repay part of the original loan within the lenders terms and conditions without incurring an early repayment charge.

* Still able to live in the same house

Having a lifetime mortgage means that you do not have to move house retaining ownership but can release money that is tied up in the value of the house.

* Tax-free Money

The money that you gain from a lifetime mortgage is tax-free no matter if you have it in one lump sum or if you have a series of smaller payments.

* A lifetime mortgage can be Ported/transferred to a different house.

If you have a lifetime mortgage, you are still able to move house and have the lifetime mortgage on the house as long as the new house is acceptable to the lender.

* No need to repay

The loan is usually repaid from the sale of your home when you, or the remaining borrower dies or moves in to long-term care.

* No negative equity guarantee

A No Negative Guarantee means that there is no risk of your beneficiaries being left with an outstanding mortgage after your home is sold. This is provided the property is sold for the best price reasonably obtainable, and you have met your lifetime mortgage Terms and Conditions.

**What are things that should be considered?**

Taking out a lifetime mortgage is a big decision that should have many different aspects that should be taken into consideration before having a lifetime mortgage. Some of these are as follows:

* Inheritance reduced

Having a life mortgage on a house means that any equity you wished to leave as an inheritance will be reduced.

* Higher interest rates

It’s seen that the rates for a lifetime mortgage are higher than what is charged for a standard residential mortgage.

* Interest rapidly builds up

Unpaid interest can build up over time reducing the equity in your home. There may be cheaper ways to borrow money instead of a lifetime mortgage.

* Not able to have both a lifetime mortgage and a regular mortgage

Before taking out a lifetime mortgage you will need to repay any existing mortgage secured against your home. This may incur an early repayment charge.

* Inheritance tax

If you decide to gift the money, the person receiving the money may need to pay inheritance tax in the future.

* Loss of Means-tested state benefits

If you receive some means-tested state benefits, having a lifetime mortgage may affect your entitlement to these benefits.

* Attached to the house

A lifetime mortgage is a loan secured against your house meaning that if you fail to comply with the lender’s terms and conditions your house could be repossessed.

**How am I able to find the most suitable Lifetime mortgage?**

To find the most suitable Lifetime mortgage, simply schedule an appointment with one of our representatives. We provide personalised care and ensure that you secure the most suitable mortgage for your needs.

**We’re here to help you:**

We understand that navigating the mortgage market later in life can come with its own unique set of challenges, and it can seem overwhelming. We’re here to provide you with expert guidance every step of the way. Our personalised advice is tailored specifically to your later-life lending needs, ensuring that you find the right solution for your financial situation and future goals.

Get in touch with us today to learn more and schedule a no-obligation consultation. We’ll help you understand your options and guide you through this important journey, offering the clarity and support you need to make informed decisions that align with your retirement plans and lifestyle aspirations.

This is a Lifetime Mortgage. These are only applicable to those 55 and over, and it could affect eligibility to state means-tested benefits and the inheritance you may leave. To understand the features and risks, ask for a personalised illustration.

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