

# An alternative to lifetime mortgages

It is important that clients consider alternative equity release options. The Property Plan is chosen by many as their most appropriate solution. Here are some general considerations that can help inform that choice.

## The first considerations

- ✓ A lifetime mortgage provides a client with a long-term loan against a charge over the entire value of their home
- ✓ The Property Plan does not involve lending or interest rates
- ✓ Retirement Plus pays for a right to a percentage share in the value of the property and it is the size of that share which increases over time
- ✓ The property is transferred into joint ownership between the client and Retirement Plus and the shares that they own will change at a fixed rate over time
- ✓ With a Property Plan there is:
  - ▶ no rolled-up interest
  - ▶ larger amounts can be released initially
  - ▶ a percentage share of property value can be protected
- ✓ The rate at which Retirement Plus's share increases is not an interest rate and care should be taken not to compare this increasing percentage of ownership with the increasing debt of a lifetime mortgage
- ✓ It is the fixed rate at which the client gives up an increasing share of property value to Retirement Plus

Illustrations may be found in the Customer Brochure and on the website [www.retirement-plus.co.uk](http://www.retirement-plus.co.uk).

## Home reversion plans transformed – the Property Plan

- ✓ Home reversion plans are the main alternative to lifetime mortgages as an equity release option
- ✓ They provide a way for clients to receive money by selling a part or all of the financial interest in their home to the scheme provider
- ✓ A client can continue to live in their home for the rest of their life, without making payments of rent (other than any nominal amount) or interest
- ✓ However, with the typical form of home reversion plan clients will not receive the full market valuation of the share of their home that they sell
- ✓ The Retirement Plus Property Plan is a home reversion plan but it has some vital differences from the basic type of home reversion plan:
  - ▶ it guarantees your client can leave an inheritance with a Protected Share – yet still raise the same amount of money as they would on a lifetime mortgage
  - ▶ it is the only home reversion plan that ensures your client receives full payment for the share of their property they transfer at the start
  - ▶ your client's estate will not be penalised should they die earlier than expected, as our share in their property only grows over time
  - ▶ it enables flexibility. Your client can sell their property or cancel at any time should their circumstances change for better or worse
  - ▶ it's still your client's home. We own the property jointly and work in partnership with them

## Want to know more?

To find out more about the Property Plan and how it can benefit you and your clients, register on our website today:  
[www.retirement-plus.co.uk](http://www.retirement-plus.co.uk)

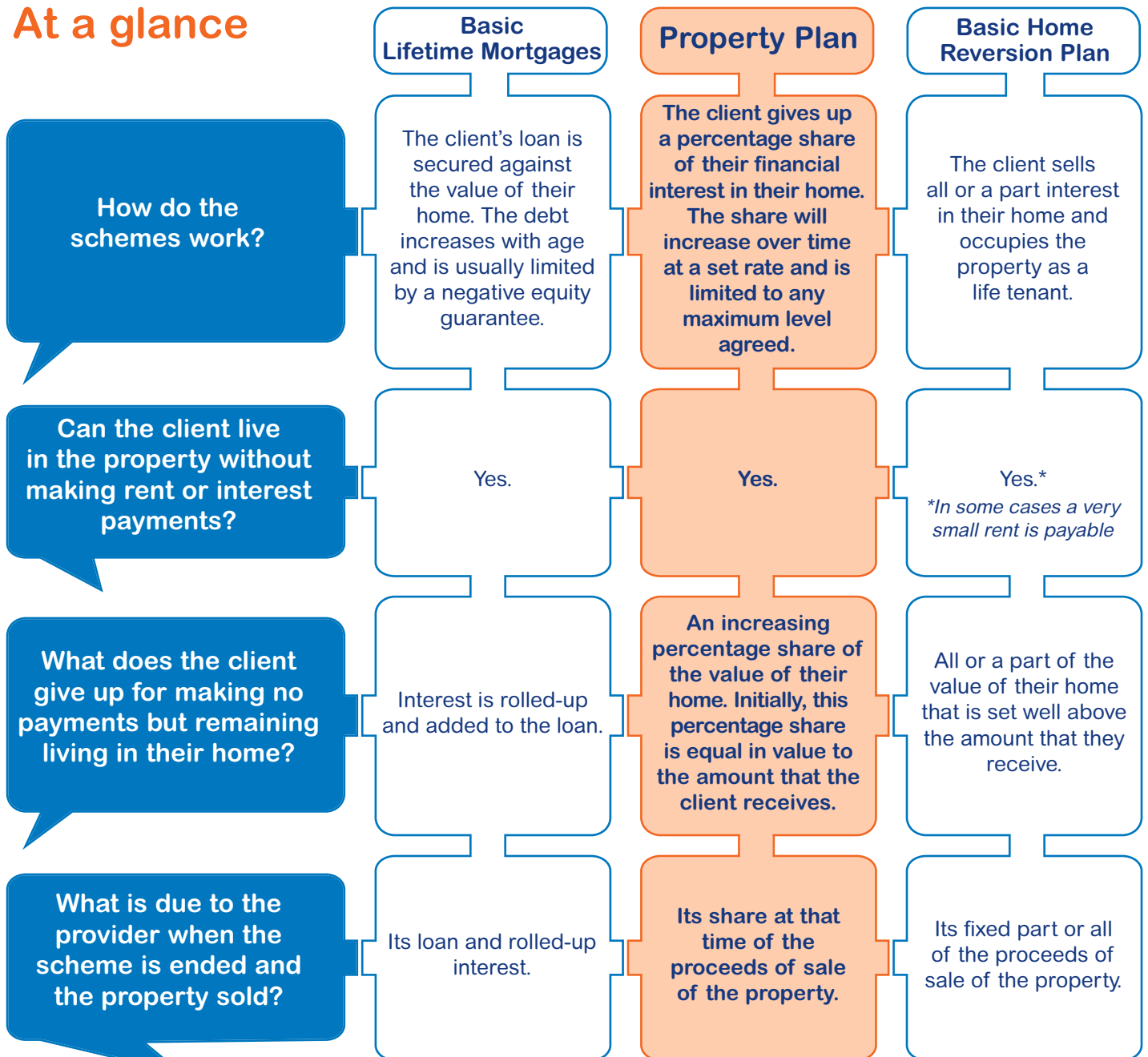
Broker Contact Centre

Retirement Plus Ltd, 37 Maddox Street, London W1S 2PP

Open Monday to Friday 9am to 5pm

 **0845 850 8510**

## At a glance



## Summary

So, the Property Plan is not a lifetime mortgage and is classed as a type of a home reversion plan, but it has some important and valuable differences.