

Flexible Lifetime Mortgage frequently asked questions



How do I make a withdrawal?

Once your LV= Flexible Lifetime Mortgage is set up you can make withdrawals of £2,000 or more when you need them up to the amount of your maximum loan. The only thing we ask is that you do not draw on your maximum loan more than once in any calendar month.

The interest rate for each withdrawal will be the rate we are offering at the time you make the withdrawal so each one may have a different interest rate. There are no charges for taking withdrawals; all the costs have been covered up front. Remember, making withdrawals will increase the amount of borrowing secured on your home.

If you wish to make a withdrawal from your agreed maximum loan simply call one of our team on **0800 0288 974** (option 2). We will send you a personalised mortgage offer and a form to sign and return to us to confirm you wish to go ahead. Once received, provided the terms and conditions have been met, we will send the money direct to your bank account.

For Textphone, dial 18001 first. We may record and/or monitor your calls for training and audit purposes. Opening hours 8.30am – 5.30pm Monday to Friday.

Can I increase my maximum loan?

You may be able to increase your maximum loan amount if the value of your property has increased sufficiently to allow you to borrow a further amount, or you have moved to another house that is worth more.

Your Flexible Lifetime Mortgage allows you two revaluations of your home (at no additional cost to you), which can be used if you want to increase your maximum loan amount and ultimately make further withdrawals.

The availability of additional borrowing and the terms and conditions that will apply will depend on our practice applicable at the time. You must seek legal and independent financial advice before applying to increase your maximum loan amount. A fee may apply if you increase your maximum loan amount.

Can I move house?

Once your Flexible Lifetime Mortgage is up and running, you can still move house, as long as your new home meets the lending requirements at that time. If you are moving into a less expensive property, you may have to pay back part of the outstanding mortgage. You won't be charged any early repayment charge if you are paying back some of the mortgage because you have moved house.

If you choose not to transfer your mortgage, or your new property does not meet the lending requirements, you will have to repay the amount you owe from the money you get from the sale of your home. Any money left over belongs to you. You may need to pay an early repayment charge if you repay your Flexible Lifetime Mortgage in full.

Can I sell my home?

Yes, you can sell at any time. You can transfer the loan to a new home or, if you are not buying another property, you can simply repay the outstanding mortgage plus the interest that has rolled up from the proceeds of the sale.

If your loan has not been paid back within six months of you permanently leaving the property (unless previously agreed), we will be entitled to sell the property to get our money back.

If anything is left over after we have been paid back the loan plus the interest that has rolled up and the cost of selling the house, it will be paid to you. You may need to pay an early repayment charge if you repay your Flexible Lifetime Mortgage in full.

What happens if I get married?

Once your Flexible Lifetime Mortgage is set up, you may be able to add someone to the mortgage provided that they satisfy our minimum age requirement, lending criteria and terms and conditions at that time.

If someone else is added who is younger than the existing borrower we may ask you to repay some of the outstanding loan if you have borrowed more than the maximum we allow for someone of the new borrower's age.

Can I move to sheltered accommodation in the future?

You can move to sheltered accommodation and move your mortgage to your new home, as long as the property you are buying meets the criteria for our Flexible Lifetime Mortgage. This is treated in the same way as any other move.

If the sheltered accommodation does not meet the lending criteria your home must be sold and the Flexible Lifetime Mortgage repaid. If this means your Flexible Lifetime Mortgage has to be paid back in the first ten years, we won't charge you an early repayment charge. Again, any money left over belongs to you.

If you are borrowing jointly with someone else and one of you needs to move into long-term care, you don't usually have to sell your home until the last borrower either dies or moves into long-term care or another property.

Can I repay part of my loan?

You are able to repay your borrowing, either in part or in full at any time. The minimum partial repayment is £5,000. You may not make a partial repayment if the remaining outstanding amount (loan and interest together) would be less than £10,000.

If you have made a number of withdrawals the loan with the highest interest rate will be repaid first. If more than one loan has the same rate the most recent withdrawal will be repaid first.

If all or any part of the Flexible Lifetime Mortgage is repaid during the ten years from the date of the latest withdrawal or the starting loan, if you haven't made any withdrawals, you may have to pay an early repayment charge. During the first five years after the latest withdrawal (or the starting loan), the early repayment charge is 5% of the amount repaid. During years six to ten the charge changes to 3%.

What happens if I die or move into residential care?

If you've taken out the Flexible Lifetime Mortgage on your own, then it must be paid back when you die or move permanently into residential care. In the case of couples, the loan must be paid back on the death of the last surviving borrower, or if they move into residential care.

On death, the repayment of the Flexible Lifetime Mortgage is generally arranged by the borrower's executors, who sell the property and pay the amount due to us from the proceeds of the sale.

The Flexible Lifetime Mortgage must be repaid within six months of the death of the last surviving borrower, or their permanent move into residential care. If it is not repaid within that time, we reserve the right to take possession of the property and sell it. The proceeds of the sale after selling costs and repaying the Flexible Lifetime Mortgage goes to the borrower's estate.