



LV= EQUITY RELEASE CASE STUDY POWER OF ATTORNEY

As the level of care and support that the elderly and their families can expect from the NHS steadily reduces and the cost of home nursing care increases dramatically, more and more people are making the decision to release some of the equity that has built up in their home over the years.

Expensive nursing care

One such example is Mrs P from Cornwall, who has enduring power of attorney for her mother. Over the last 8 years Mrs P's mother has suffered successive strokes leaving her requiring 24 hour nursing care. This level of care is exceptionally expensive, often as much as £1000 per week, and during the last 8 years, Mrs P's mother has exhausted her own substantial capital reserves to meet the cost of this care. Around 18 months ago, the NHS agreed that Mrs P's mother met their criteria for funded nursing care in the home which was a tremendous relief for Mrs P and her family. It was very important to them that she remained in the home where she had spent so much time and in surroundings which were familiar and comforting to her.

Reduced NHS assistance

Unfortunately, approximately three months ago as a result of a regular quarterly review of her mother's care needs, Mrs P was advised that the NHS could no longer afford to meet the costs of her mother's nursing care. 24 hour care was too costly for them to fund and Mrs P was offered a choice of a reduction in nursing care to just four half hour visits a day, a live-in carer or a place in an elderly mental illness ward in hospital.

Lifetime mortgage offered stability

Given that her mother had been cared for by the same set of carers for almost 7 years and had established a good relationship with them, Mrs P and her family felt that it was very important for them to maintain that stability. It was at this point that they turned to their longstanding independent financial adviser for advice. He recommended that Mrs P considered releasing equity from the value of her mother's house to enable them to continue funding the existing home nursing care. Mrs P spent a lot of time thinking about this option but felt that she did not have any alternative. She found it difficult to come to terms with losing a large part of her inheritance but her overriding concern was to keep her mother as comfortable as possible in her later years.

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Experience when it counted most

Her Financial Adviser recommended an LV= Equity Release Lifetime Mortgage on a maximum lump sum basis which, at that time, was offering the best overall deal in terms of interest rate and overall charges. Coupled with this was the fact that LV= were very experienced in dealing with power of attorney applications and understood that in cases such as these, a smooth and understanding application process was essential. Based on this advice from her Financial Adviser, Mrs P didn't hesitate to go ahead with the lifetime mortgage as she felt she had to keep her mother out of hospital.

The monies were advanced in around 6 weeks and Mrs P's Financial Adviser commented to her that everything went very smoothly. Her solicitor also noted that LV='s appointed solicitors were incredibly efficient and knowledgeable.

Easy to understand

Mrs P was particularly impressed by the clarity of LV='s paperwork which she said was 'very understandable to a lay person – absolutely brilliant'. This, together with quality independent advice ensured that Mrs P fully understood the financial implications of the lifetime mortgage she arranged as attorney for her mother.

All in all, Mrs P feels that in a very difficult situation she has made the best decision she could for her mother. She says that it is a very personal decision to make and it may not be right for everyone, but that she is certain that her and her family have done the right thing in using the equity built up in her mother's property to allow her to remain in her own home.

