

LV= Equity Release

Flexible Lifetime Mortgage

Product details

This is a lifetime mortgage. To understand the features and risks, ask for a personalised illustration.

Product type	Fees	Early repayment charge
Flexible Lifetime Mortgage	£695 application fee and valuation fee (see below)	Years 1 – 5 = 5% of amount repaid Years 6 –10 = 3% of amount repaid

We normally deduct the application fee from the loan on completion. We always ask for the valuation fee before we instruct our valuer. Please note we don't offer a refund of fees if an application does not proceed. We instruct our own solicitor to do our legal work and, of course, will pay our own legal fees. Your client will need to instruct their own solicitor and will be responsible for all their costs.

Age of youngest applicant	Maximum % of property value	Age of youngest applicant	Maximum % of property value
Min 60	20	76	36
61	21	77	37
62	22	78	38
63	23	79	39
64	24	80	40
65	25	81	41
66	26	82	42
67	27	83	43
68	28	84	44
69	29	85	45
70	30	86	46
71	31	87	47
72	32	88	48
73	33	89	49
74	34	90-95 Max	50
75	35	-	-

We don't currently lend on properties worth less than £70,000. And, please note, if the property is worth more than £1,500,000 we may not be able to lend at the above maximum percentage of the property value so please ring to discuss. We are happy to consider holiday homes and second homes in the UK, please reduce the maximum percentage of the property value by 10 to work out how much we might lend. For example, if the maximum percentage of the property value based on your client's age is 35%, then the maximum we would lend for their second home would be 25%.

Starting loan

The minimum starting loan is £10,000.

Partial repayment

Minimum: £5,000 but please note the remaining loan needs to be £10,000 or more.

Valuation fees

Property value	Valuation fee
Up to £100,000	£150
£100,001 - £150,000	£170
£150,001 - £200,000	£195
£200,001 - £250,000	£202
£250,001 - £500,000	£268
£500,001 - £700,000	£410
£700,001 - £900,000	£675
£900,001 - £1,100,000	£950
£1,100,001 - £1,250,000	£1,100
£1,250,001 - £1,500,000	£1,250

Maximum loan

The maximum loan we can agree up front is 3 times the starting loan or the maximum percentage value of the property we will lend, if lower. Once we have paid your client their starting loan we guarantee the agreed maximum loan will be available for 15 years.

Withdrawals

Minimum: £2,000 Frequency: on request (but no more than one each calendar month). Withdrawals can be made at any time until the maximum loan runs out, or 15 years from the date we sent your client their starting loan. The interest rate we will charge on withdrawals will depend on your client's age and the rate available at the time the withdrawal is made.

Other occupiers

If your client is living with their partner, civil partner or spouse, they'll both need to be named on the property deeds and in their lifetime mortgage application. If there are friends or relatives living in the property or children aged 17 or over who are not dependent on your client, they'll need to sign an occupancy waiver releasing their rights to the property. If there is a child who is aged 17 or under or a dependent adult living in the property, we'll need confirmation, from your client's solicitor, that there are adequate arrangements in place to care for them if they still live in the property and your client moves into permanent residential long term care or dies. If your client has any tenants living with them, you'll need to contact us first before an application is submitted.



No negative equity guarantee

We guarantee that if the total debt is greater than the amount your client's property is sold for when the total debt is repaid, neither your client, nor their personal representative will be asked to make up the difference. We call this a 'no negative equity guarantee'. The no negative equity guarantee applies whenever the total debt is repaid from the sale of your client's property, for example it will apply if their property is sold when they die or go into long term care. If the guarantee is used, we'll pay for a professional valuation to be carried out so we can value your client's property before it's sold. We'll also need to agree the sale price is in line with market conditions at the time before we'll honour the guarantee.

Repayments

The total amount the borrower owes including the rolled up interest must be repaid if:

- The last surviving borrower dies or goes into permanent residential care, or
- The borrower or borrowers move and the loan is not transferred to the new property

The terms and conditions also require the borrower to keep their property adequately maintained, insured and keep to the terms and conditions of the mortgage. In extreme circumstances if a borrower doesn't do this we could ask for them to repay the outstanding amount so it is important that anyone taking out a lifetime mortgage understands the importance of keeping to the terms and conditions of the loan.

Early repayment charges

Early repayment charges do not apply if:

- The borrower moves house and transfers their mortgage to the new property
- The last surviving borrower dies
- The last surviving borrower moves permanently into long term care
- If the total debt is reduced or fully repaid using the money from an insurance company following damage to the property
- When one borrower (on a joint mortgage) passes away or moves into long term care and a repayment is made within 3 years of the date of death or move

Moving home

Provided the new property meets the lending criteria being applied when the borrower wants to move the loan can usually be transferred to another property. If the new property is worth less than the borrowers existing property then part of the existing loan may have to be paid back. If this happens then LV= won't charge any early repayment charges on any enforced loan repayment. However if the borrower wishes to repay all of the outstanding loan or more than the enforced repayment then early repayment charges will apply on the additional repayment amount. The house move application fee is £595, the borrower will need to pay for a new valuation report, their own legal fees and all other moving costs.

Increasing the maximum loan amount

The borrower can apply to increase their maximum loan at any time subject to a property revaluation. We do not charge for the first two property revaluations.

The first two applications to increase the maximum loan are also free if the borrower's total loan will exceed their existing maximum loan on completion. Any further application to increase the maximum loan will be charged at the fees stated in the table below. The availability of additional borrowing and the terms and conditions including the interest rates that will apply will depend on those applicable at that time. It may not be possible to release additional money in the future.

Fees summary

Application	£695	Discharge	£125
Application on moving home	£595	Valuation fee	Please see front page
Application to increase the maximum loan	£125	-	-

Revaluation fees

Up to £500,000	£120
£500,001 - £1,000,000	£180
£1,000,001 - £2,000,000	£300

Rates

AER (fixed)	Monthly equivalent	Overall cost for comparison (APR)
6.04%	5.88%	6.3% APR

The example used to calculate the APR is: a loan amount of £40,000, total fees of £1,447, a discharge fee of £125 and a 15 year term.

Interest is compounded annually. We charge interest daily to calculate the amount owed if a repayment is made part way through a year.

Rates correct as at 22 June 2015.

Anything else?

See www.LV.com/adviser or ring our Equity Release Desk to discuss your client's requirements on **0800 028 8974**.

For textphone dial **18001** first.

Opening hours: 8.30 am to 5.30pm Monday to Friday. We may record and/or monitor your calls for training and audit purposes.

The Flexible Lifetime Mortgage is offered and administered by LV Equity Release Limited.

You can get this and other documents from us in Braille, large print or audio by contacting us.

