

A guide to your Lifetime Mortgage



Royal London

Equity Release Letter

Dictionary

To help you understand the letters you may receive from us, we have put together a helpful guide. Some letters may require a response from you and others are simply to keep you informed.

Your letter Annual Statement

When will you receive this? Once a year, on the anniversary of your loan completion.

Why have we sent this to you? Your Annual Statement is an overview of your outstanding balance, including interest roll-up and any repayments you have made. It will also contain key information about your available Drawdown Facility, if applicable, with information of how to apply for any additional funds.

Your Annual Statement lets you know how the Flexible Repayment Option works, should you wish to make payments back to us to reduce the impact of compounding interest.

Your letter Certificate of Continued Occupancy

When will you receive this? Once a year. You will receive this at the same time as your Annual Statement.

Why have we sent this to you?

The form asks you to confirm that you are still living in the property and if anyone else is living there with you. Please sign this form and send it back in the free-post envelope supplied, or via email. This form must be returned to us as soon as possible.

Your letter

Repayment Receipt

When will you receive this?

After your first payment.

Why have we sent this to you?

We will issue you with a repayment receipt after your first payment. Subsequent payments will be confirmed within your Annual Statement, which will confirm the dates when your payments were applied.

Your letter

Offer Condition Reminder

When will you receive this?

3-5 months after the completion of your Lifetime Mortgage, with potential future reminders if required.

Why have we sent this to you?

If you have any special conditions on the bottom of your Offer Document, it is likely we will require certain certificates or paperwork from you. This is typically after you have made structural changes to your property. If such offer conditions apply to you, we will send a letter to remind you of this obligation.

Your letter

Drawdown Facility Reminder

When will you receive this?

18 months after the completion of your Lifetime Mortgage and once a year thereafter.

Why have we sent this to you?

We will write to remind you of your remaining Drawdown Facility, with information of how to apply for any additional funds, if applicable.

Making repayments

One of the main features of your Lifetime Mortgage is the ability to make voluntary partial repayments without incurring any Early Repayment Charges.

The key details to remember are:

- You can make partial repayments of up to 10% of the total cash advanced within any 12-month period, starting from the date your loan completes, without incurring an Early Repayment Charge. If unused, the 10% partial repayment amount cannot be carried forward in whole or part to subsequent 12-month periods.
- You can make a maximum of 12 payments per year, with a minimum of £50 per payment.
- Any partial repayments over 10% of your loan amount within any 12-month period will be subject to Early Repayment Charges. Please see your mortgage offer for further details.
- Section 8 of your Lifetime Mortgage Offer shows how your interest would roll-up on a yearly basis. Any repayments made towards your Lifetime Mortgage account will reduce the roll-up of interest.
- Alternatively, you may choose to make a payment that is affordable to you. On the next page, you will find an example of how making a small payment can affect a Lifetime Mortgage balance over a 15-year period.





Please note, if you take out multiple loans with us, such as Drawdowns or Further Advances, you can inform us as to which part of borrowing you wish the repayment to be made by quoting the exact Mortgage Account Number as the payment reference. In the absence of any instruction from you, all repayments will be made against the oldest loan first.

We will allocate your payments in accordance with your instruction. If you are not sure which account you make payments against, we suggest you seek independent advice. Please note that this advice could incur a fee.

Repayments are not required as part of your Lifetime Mortgage, as the balance along with interest and charges is typically repaid from the proceeds of the sale of the property. If you wish to find out further information regarding your ability to do so, please contact our Customer Service Team on 0330 124 3914 and select Option 4.

Our Customer Service Team will not be able to tell you how much to pay, but will be able to give you an up-to-date outstanding balance and an estimate of the current month's interest. The outstanding balance figure will be included in your annual statement.

Why making payments might be important for you

By making partial repayments to your Lifetime Mortgage, you can help to reduce the roll-up of interest. That means there will be more money left over when your property is sold.

If you started with a loan amount of **£80,000** on an **interest rate** of **6%** with a term of **15 years**

Your end of term balance with no repayment made would be **196,327.48**

Your End of Term Balance after repaying **£100 per month** would be **£167,245.61**

The difference in interest roll-up is **£29,081.87**, resulting in an overall saving of **£11,081.87**

This example is for illustrative purposes only. We recommend checking Section 8 of your Offer Document for your correct compound interest figures. If you want to check how much regular payments could reduce your final loan amount, please contact your financial adviser. Please note, repayments are voluntary and not required.

The Customer Service Team are dedicated to supporting you and are on hand to help with any questions you may have.

They are available to contact Monday to Friday between 9am and 5pm, excluding bank holidays.

0330 124 3914

Select Option 2 for Drawdown support and Option 4 for any other enquiries.

customer.support@royallondonequityrelease.com

Royal London. P.O. Box 277, Sheffield, S98 1RP

Why is our postal address in Sheffield?

All incoming mail to Royal London Equity Release is handled by a professional mail company and sent to us in a digital format. This is the best and quickest way for us to receive your correspondence. It also ensures that your documents and certificates are kept safe and secure, so we can spend more of our time responding to you.

If you have a Drawdown product...

How can I apply for a Drawdown?

Please contact our Customer Service Team if you wish to apply for a Drawdown. Our team will help you through the next steps and are happy to answer any questions you may have. The minimum Drawdown amount is £2,000, or if you have less than this in your facility you must Drawdown the remaining facility.

How do I find out my interest rate?

When you apply for a Drawdown, one of our specialists will process your application. Once they have completed all the checks that are required, you will be provided with a Drawdown Offer Document.

Your Offer Document shows the interest rate applied to the Drawdown and what impact that has on the loan amount over the term of the Lifetime Mortgage.

Up until we have released the funds to your bank account, you can cancel your application at any point. If you are not comfortable with the interest rate shown in your offer, simply let the team know that you will not be proceeding.

If you are curious about the current interest rates, you can ask the team for an estimate. As our rates change all the time, we cannot guarantee this for you, but it should give you an idea of what the interest rate may be when you do apply.

Why may this interest rate vary from my previous loan?

The interest rate could be higher or lower than the rate on the initial loan and is always offered on the prevailing rate at the time you apply for a Drawdown. Your initial loan will remain on a fixed rate and your Drawdown will also be subject to a fixed rate.

If you have a Drawdown product with us and wish to release funds, please contact our Customer Service Team.

Does this mean I'll have more than one loan?

Each Drawdown will be classed as a unique part of borrowing and the interest will roll-up separately. Your Drawdown will have its own early repayment terms and will be included in any outstanding balance figures you receive.

During the application, we may deem it necessary to contact your original financial adviser or a different one at the same broker firm. This may be to obtain additional information about the suitability of the product, or to request they provide you with more support before we agree to lend any more money. The Customer Service Team are not authorised to provide financial advice, however it is important to us that you are making the right financial decision for you. They can help to arrange a meeting with a financial adviser who will be able to support you with your application.

How long will my application take to complete?

On average, your application should take around four weeks to complete, providing that all documentation has been received on time. On the first page of your Drawdown Offer Document, we've provided a date by which your documentation should be completed and returned. The date will provide you with at least 25 days to return the documents to us.

If the documents are not returned by this date, we will not be able to honor the interest rate, and a new Offer Document will need to be provided to you, with a new interest rate.

Please note that a Drawdown is not guaranteed and is subject to both Lending Criteria and our Terms and Conditions. If you need additional funds but do not have a Drawdown product, or if you don't have any facility left, please contact your financial adviser to discuss the option of a Further Advance. Alternatively, you can speak with Customer Service. They will be able to help organise an appointment with a financial adviser.

Let's talk about moving home

When do I need to tell you I want to move house?

In our experience, the process of porting a Lifetime Mortgage may take up to 20 weeks, from the point an application is received by us to the point of completion. This is usually due to the conveyancing stage of the journey and the solicitors checks that need to be performed. We recommend that you inform us as soon as possible if you want to move house, so we can provide you with an application form and talk you through the process in further detail.

How do I apply to transfer my mortgage?

If you wish to move to a new property and transfer your Lifetime Mortgage, please contact our Customer Service Team, who will have an Underwriter assigned to you. Your Underwriter will explain the process to you, explain some basic information and send you an application form. Once they have received your application, they will arrange for the new property to be valued and review this in line with our lending criteria. If we deem the new property to be suitable, you can transfer your Lifetime Mortgage to this property without incurring Early Repayment Charges.

How much will it cost to transfer my mortgage?

An application fee of £500 will need to be paid when you return a completed application form. You will also be asked to pay for the valuation of your new property. The valuation fee will depend on the value of the property and we will confirm the amount at the time of application.

For a full list of our fees, please refer to our Tariff of Charges, included in this pack. This does not include the fees charged by any external providers and processors, such as your solicitors or any financial advice you may receive.

What happens if my new property is not acceptable?

If your new property does not meet our Lending Criteria and you would still like to move to that property, we will waive any Early Repayment Charges, providing that your Lifetime Mortgage has been open for a period of at least five years. Otherwise, you will have to repay the outstanding balance and any applicable Early Repayment Charges. If you decide to select a different property, we will not charge you another application fee if you apply again within 6 months. However, you will have to pay a further valuation fee.

Will I have to pay back any part of my Lifetime Mortgage?

If you transfer your mortgage to a property of a lower value than your current property, you may need to repay part of the outstanding amount. This is to ensure that the Loan to Value (LTV) on the new property matches the LTV amount on your current property.

If you have any additional queries regarding moving property and transferring your Lifetime Mortgage, contact the Customer Service Team. You may also want to speak to your financial adviser to discuss any changes to your Lifetime Mortgage before you begin.

With all of our Lifetime Mortgages, you have the right to move to a new property. If you choose to move home, you may be able to transfer your Lifetime Mortgage over to your new home, subject to Lending Criteria.

Please contact our Customer Service Team via email at customer.support@royallondonequityrelease.com to discuss this further.



We're happy to provide your documents in a different format, such as Braille and large print, just ask us when you get in touch.

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