

Equity release

SunLife

Unlock cash to enjoy the lifestyle you deserve

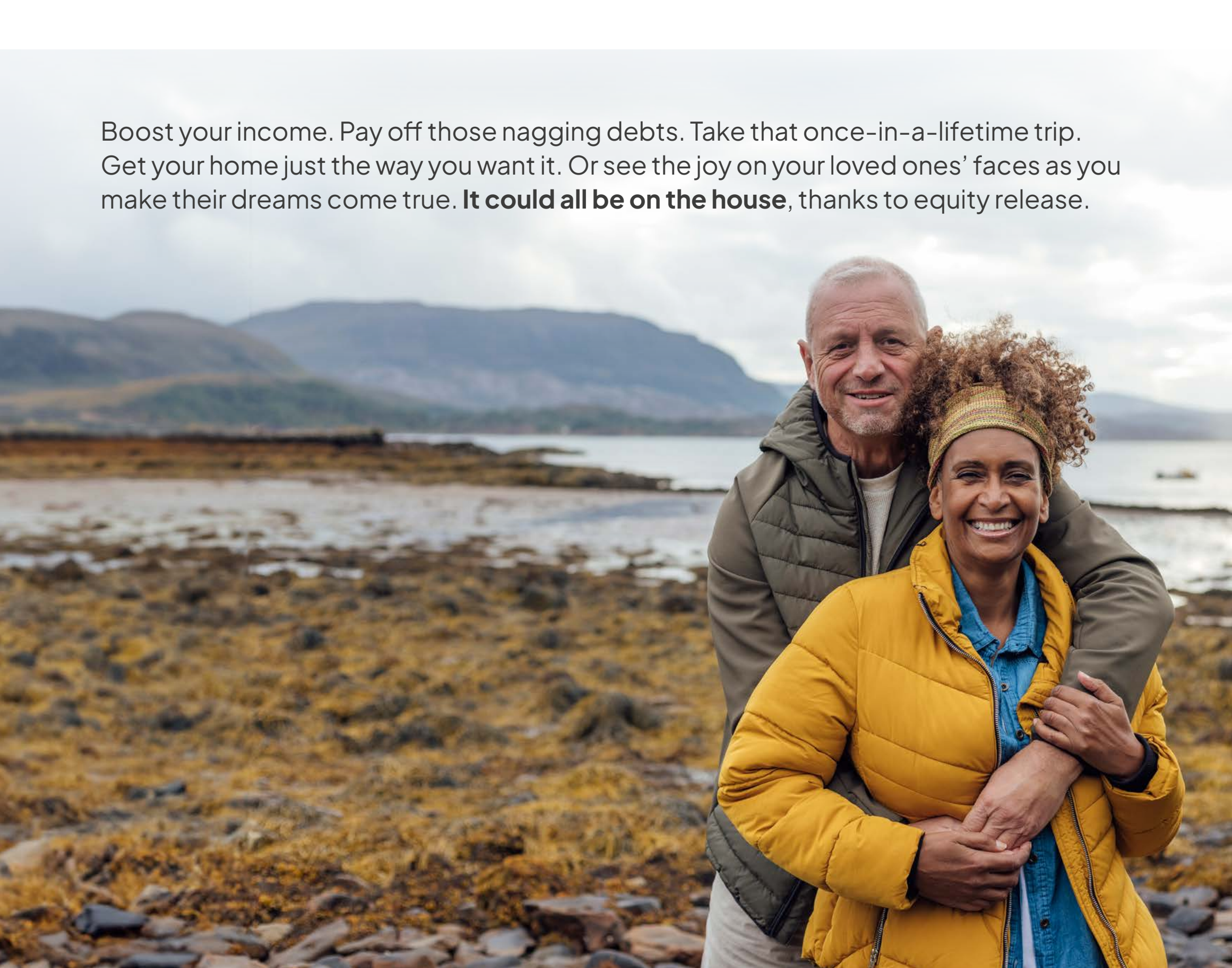
See whether releasing some of the equity in your home, with a lifetime mortgage, could be right for you.



Boost your income. Pay off those nagging debts. Take that once-in-a-lifetime trip. Get your home just the way you want it. Or see the joy on your loved ones' faces as you make their dreams come true. **It could all be on the house**, thanks to equity release.

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What is equity release?

Many people have heard about equity release but aren't sure what it means.

Equity is how much your home is worth, minus any mortgage and secured debt you have left. So if your house is worth £350,000 and you have a £50,000 mortgage, you have £300,000 of equity.

Equity release lets you take out some of that money, without having to move home.

A lifetime mortgage is one way of doing this. You can take the money you release in a lump sum or in smaller amounts over time.

With this option, you still own your home. And unless you choose to make monthly payments, you don't need to pay back the loan (plus compound interest) until you die or move into long term care.

A lifetime mortgage might not be right for everyone. It can affect your entitlement to means-tested state benefits, future financial options and your loved ones may not inherit anything when you die.

At SunLife, we can help you get expert advice to see if this type of equity release could be right for you. And if it isn't, the advisor will tell you.

Four important things to know about lifetime mortgages:

- ✓ The money you release is tax free
- ✓ You can stay in your own home
- ✓ Option to make monthly repayments to keep costs down
- ✓ You can use the money however you like



Important to know:

- A lifetime mortgage is a loan which increases with compound interest. It's repaid when you die or move into long-term care. It may reduce the amount of inheritance you leave and affect your future financial options, including means-tested benefits.
- Homeowner must be over 55 and UK resident (excl NI).
- The amount released will depend on your age and property value.
- Equity Release requires paying off any existing mortgage.
- SunLife Limited receives an introductory commission from Phoenix Life Limited or Key Retirement Solutions, if you take out a product. The amount is a percentage of the loan's final value.
- Tied advice provided via the SunLife Equity Release Service.
- Terms and conditions apply.



Did you know?

72% of people who take out equity release say it's increased their overall happiness.*



The money you need – on the house

Average house prices have more than doubled in the last 20 years. So your home could now be worth a lot more than you paid for it.**

If house prices continue to rise, you could build up more equity to leave your family. And if house prices fall in the future, this could reduce the amount of inheritance you leave.

If you're 55 or over, you could get your hands on some of the value in your home, without needing to downsize.

You can spend the money however you wish. That could mean:

- ✓ Paying off debts
- ✓ Making home improvements
- ✓ Helping loved ones
- ✓ Taking the holiday you've always dreamed of

*Source: SunLife's Life Well Spent report 2024

**Source: UK House Price Index:

<https://landregistry.data.gov.uk/app/ukhpi>

There's no place like home

Lots of people use money from a lifetime mortgage for home improvements.

From upgrading your kitchen or bathroom to converting the garage into an office, the possibilities are endless.

You could also adapt your home so it's fit for the future. A few changes could mean you're able to stay where you are for longer, without having to move into care.



Did you know?

57% of people who take out equity use at least some of the money for home improvements.*



Did you know?

25% of over 50s have given a substantial cash sum to their family. And 19% of those gifted the money for a house deposit.*



Gift an early inheritance

Maybe you've got children who can't save a big enough deposit to buy their first home. Or grandchildren going to university or getting married, and you'd love to be able to help.

Perhaps you like the idea of giving your kids some of their inheritance now, so you can see the difference it makes to their lives.

Equity release can make some of those things possible. Remember, it's important to get financial advice before giving money away.

*Source: SunLife's Life Well Spent report 2024

Expert advice

If you'd like to know more about equity release, you can talk to the SunLife Equity Release Service.

For example, you might be eligible for the Sunrise* lifetime mortgages (not available in Northern Ireland).

More and more people are wondering whether equity release might be right for them. So why not find out, if it might be right for you?

Just call free on **0800 633 5566** to get expert answers to any questions you have. There's no commitment, but if you wish you'll also be able to arrange an appointment with an equity release advisor.

At SunLife, our roots go back over 200 years – and we're also the UK's most popular provider of over 50s life cover.

We've put together lots of useful information including free tools and videos on equity release. Just visit our website sunlife.co.uk/equity

A product that follows standards set by the Equity Release Council can include:

- ✓ A 'no negative equity' guarantee, meaning you'll never owe more than your house is worth. However, a lifetime mortgage may result in limited or no property equity remaining, and will reduce your financial options in the future.
- ✓ The option to transfer your scheme to a new property. This means that if you move house you shouldn't face any penalty, as long as the new property meets your lender's requirements

For more information, visit equityreleasecouncil.com



*Sunrise is manufactured and administered by Standard Life Home Finance. SunLife Limited receives an introductory commission from Phoenix Life Limited or Key Retirement Solutions, if you take out a product. The amount is a percentage of the loan's final value.

The pros and cons of a lifetime mortgage

Could a lifetime mortgage be right for you? Releasing tax-free cash from your house could be a great option, but it's not right for everyone. It's important to weigh up the pros and cons before you make any decisions – and seek expert advice. If you'd like to find out more, you can speak to an adviser through the SunLife Equity Release Service. They'll be happy to help.

Pros:

- You could unlock cash for your retirement.
- You can stay in your own home until you die or move into permanent care.
- You don't need to make monthly repayments – although you can choose them with some plans.
- Any equity left over can be passed on to your family as inheritance.

Cons:

- You'll have to pay compound interest. This means you pay interest on the loan you take out, as well as the interest that's been added on – so it can grow quickly.
- There could be little to no inheritance for your family as equity release reduces the value of your estate.
- Releasing equity may affect your tax position and any means-tested benefits.
- You may not be able to borrow more in the future.
- There will be additional fees involved, though you can use some of the money you release to cover them.

- With many schemes, you can still move home once you've released equity.
- You have to get expert advice before you apply, so you'll know if equity release is suitable for you. Just call **0800 633 5566** to speak to the SunLife Equity Release Service. They'll talk you through all the pros and cons and answer any questions. It's a great first step to learn more about lifetime mortgages.

- If you have an existing mortgage, you'll need to use the money you release to pay it off first.
- If you want to pay your loan off early, there may be early repayment charges.

There's a lot to think about but speaking to an adviser can help to make things simple.

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For help from an expert, call FREE:
0800 633 5566
or visit sunlife.co.uk/equity

Your questions answered

Am I eligible for a lifetime mortgage?

For lifetime mortgage plans, you need to be aged 55 or over and a UK resident. You also need to own a qualifying house worth above £70,000, and have paid off all or most of your mortgage.

You'll need to pay off any remaining mortgage and/or any other loans secured against your home first, with the money you release. Any left over is yours to spend how you wish.

How much equity could I release?

It depends on your home's value and your age. Most people release between 20–60% of their equity typically between £10,000 and £100,000 but it could be more.

Could equity release affect my finances in any other way?

It could affect your entitlement to means-tested state benefits. You should also consider the impact on your estate, as your loved ones won't inherit the full value of your home when you die.

Does it matter what kind of home I have?

This depends on your lender's requirements – your adviser will be able to discuss this with you.

Can I still move house?

You can move house as long as the property meets your lender's requirements. The standard fees that come with moving house will still apply

What if I die but my partner is still alive?

The lifetime mortgage will be in both your names so your partner can continue to live in the home under the same arrangements.

What happens if my partner or I need long-term care?

If you both move into a care home permanently, the scheme will usually end and the property will be sold. If just one of you moves to a care home (or care is provided at home), your equity release scheme will usually continue as it is.

Is equity release the best option for me?

Depending on your circumstances, some alternatives might suit you better like a traditional mortgage or loan, renting out a room, downsizing or careful budgeting.

For help from an expert, call FREE:

0800 633 5566

or visit sunlife.co.uk/equity

Speak to those you love

If you're planning to release equity from your home, it's a good idea to talk it through with your loved ones. That way, they won't run into any surprises when it comes to their inheritance.

They're bound to have some questions. If they'd like to do some research of their own, they can visit the SunLife website, where they can see some helpful information and articles.

For help from an expert, call FREE:

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or visit sunlife.co.uk/equity



Making the best choice for you

Releasing tax-free cash from your home can be life-changing, but there's a lot to consider. We hope this guide has given you a bit of an introduction.

Don't forget, you can always visit the SunLife website or call the number below.

For help from an expert, call FREE:

0800 633 5566

or visit sunlife.co.uk/equity

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