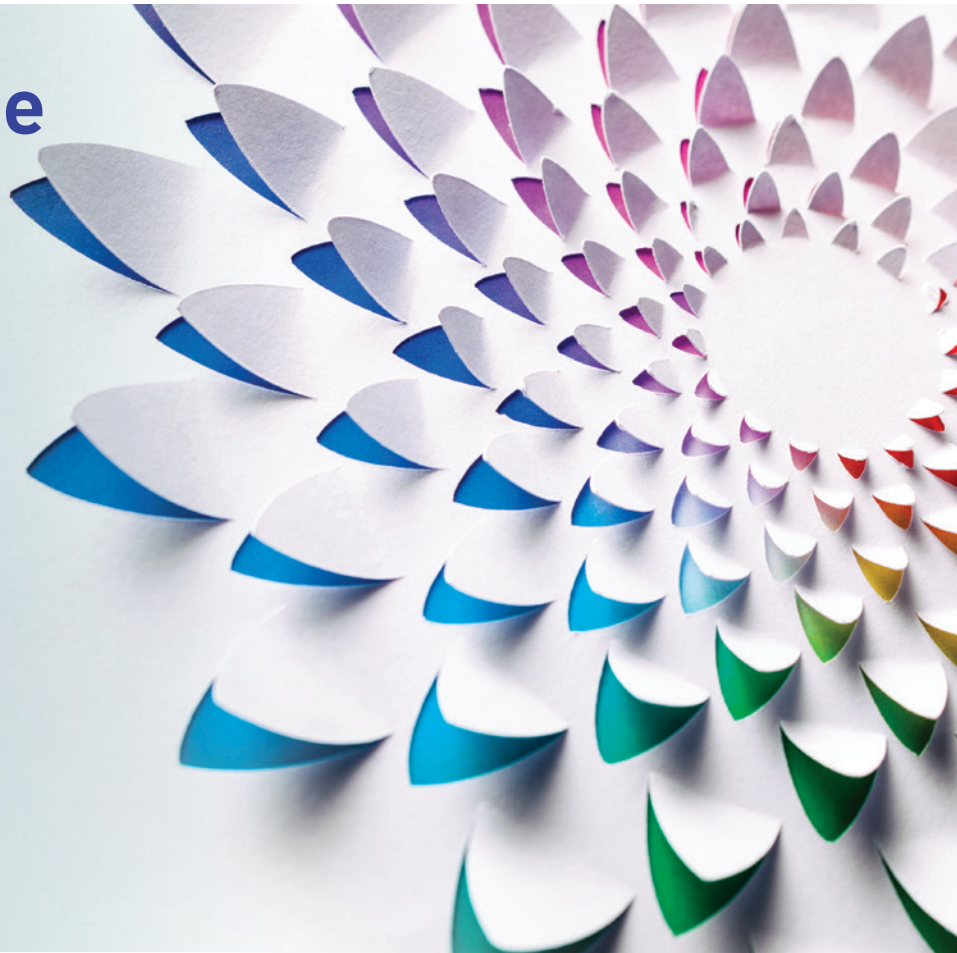


Equity Release Purchase Fact Sheet



When we think about equity release, we tend to think of using it to unlock equity tied up in our property. However, it can also work the other way round. You can use equity release to purchase a property.

Example: Mr & Mrs Thompson have decided they want to sell their home in the Midlands and move down south to be closer to their daughter and grandchildren. The property market is more expensive on the south coast and as a result if they sell their current home, they would only be able to purchase a small flat close to where their grandchildren live. Mr & Mrs Thompson enjoy spending time in their garden and love their 3 bedroom house. The thought of moving into a small flat with no private outdoor space is what's been putting them off moving for a long time. The Thompson's don't have a mortgage on their current home which has been valued at £250,000. Based on their age Mr & Mrs Thompson can access a Lifetime mortgage up to 40% of the properties value.

Solution: If they sell their home and use the £250,000 as a deposit, they can take out a Lifetime mortgage for 40%.

Mr & Mrs Thompson can purchase a property up to the value of £415,000
Purchase Price: £415,000
40% Lifetime mortgage: £166,000
Deposit: £250,000

As a result, they are now in a position where they can purchase a bungalow close to their grandchildren and spend as much time with them as they like. They also don't need to purchase a small flat and give up the outdoor space that they love at their home in the Midlands.