

Wills and Powers of Attorney

Fact Sheet



Equity release products are available to those over the age of 55 and are designed to run throughout retirement, until moving into long term care or passing away. As a result of this, it is important that clients seek advice on estate planning. Estate planners can advise you on the best way to protect your family and distribute your assets when you are no longer with us. Whether you own your property solely, on a joint tenancy basis or as tenants in common, making a will and assigning powers of attorney is highly recommended when thinking about equity release.

Will

Having a will in place is something we should all have. Many people put off writing their will as they don't see it as a priority. However, if you were to pass away without having a will in place, how would your estate be distributed? For most people, it isn't split as they would like it to be or the way in which they think it should be. Making a will ensures that your estate is distributed as per your wishes and when you are considering equity release, I recommend you instruct an estate planner to draw up a will, or if you already have one in place, ask them to review it for you to make sure it still mirrors your wishes. Once your equity release plan has been repaid who would you like any left over proceeds to be passed onto? Without having a will in place, the proceeds will be distributed as per Intestacy Laws. There is a document available in the download section of the website that shows how Intestacy works.

Lasting Power of Attorney (LPA)

Assigning a trusted family member or friend as an LPA gives reassurance that if you get to a stage either through Alzheimer's or any other medical reason, and you cannot make financial decisions, then they can make decisions on your behalf, putting your best interest first. Let's say you opted for a Lifetime mortgage that had a Draw Down facility. During the initial years you are able to complete the paperwork whilst applying for further funds to be drawn down and added to your Lifetime mortgage. If unfortunately you were to lose mental capacity, as a responsible adviser and following the code of ethics that Lifetime mortgage lenders adhere to, you may be unable to access further funds. These may be required to pay for care or to make adaptations to your home that would make your retirement lifestyle more suitable. Your attorney however, can make these decision on your behalf and represent you. If you don't have an LPA and you were to lose mental capacity, you can appoint a deputy through the Court of Protection however this is both costly and time consuming. My advice would be, to arrange your LPA's and will at the same time as setting up your equity release plan. This gives you reassurance that should the unfortunate situation arise, you have someone who can help you.

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