

Thinking about releasing money from your home?

Our step-by-step guide to the Aviva Property Plan outlines the key factors you should consider



Thank you for your interest in our lifetime mortgages

The type of product offered by Aviva is called a **lifetime mortgage** and this guide will explain both our products and your options in a little more detail. This will help you make an informed decision about whether this product could be right for you.



Could your home help to fund the future you deserve?

As you can see from the graph below, UK property prices have risen sharply in recent years. This could mean you have large amounts of cash tied up in the value of your home, whilst not being able to live as comfortably as you would like to.



Source: HM Land Registry, Registers of Scotland, Land and Property Services Northern Ireland and Office for National Statistics.

On average, we're living longer now than ever before which means we have more time to enjoy our hard-earned retirement after a lifetime of work.

With this in mind, you could find yourself short of the funds you need to meet your day to day living costs, or your lifestyle may not be as comfortable as you'd always hoped it would be.

Unlocking some of the cash in your house and turning it into tax-free cash could be an ideal way to help fund your future plans or help make life a little more comfortable, although it may also affect your tax position.

Call **0800 141 3459** or visit [aviva.co.uk/property-plan](https://www.aviva.co.uk/property-plan)



What is an Aviva Property Plan?

An Aviva Property Plan is a lifetime mortgage; it refers to both Aviva's Lifestyle Lump Sum Max and Aviva's Lifestyle Flexible Option lifetime mortgage products. An Aviva Property Plan can give eligible homeowners aged 55 or older access to some of the money tied up in the value of their property. These plans allow you to draw cash from the value of your home, without having to move out.

The type of product offered by Aviva is called a **lifetime mortgage**. Every year Aviva's lifetime mortgages enable thousands of people to stay in their homes and tap into the value without having to make monthly repayments.

Every lifetime mortgage is personal and is based on the current property value and the individual circumstances of the homeowner.

To ensure you understand the steps involved and the benefits available to you, we will arrange a phone call and then a meeting with a fully qualified financial adviser who will present you with a personalised illustration.

If you would prefer to speak to your own financial adviser, you can. If you don't have an adviser, but want to speak to one, you can find one near you at www.unbiased.co.uk. Whichever option you choose the adviser may charge for their services.





What is an Aviva lifetime mortgage?

A lifetime mortgage – an Aviva Property Plan – is a long term loan, which is secured on your property

The amount that you can borrow depends on your age and the value of your property. You can choose to release a single lump sum, or you have the option to release a smaller lump sum and set up a reserve to borrow additional sums from in the future.

Unlike a standard residential mortgage, you don't make any monthly repayments; instead interest builds up on the loan each year.

Interest is charged on the total of the original loan amount and any interest previously added, which quickly increases the amount you owe.

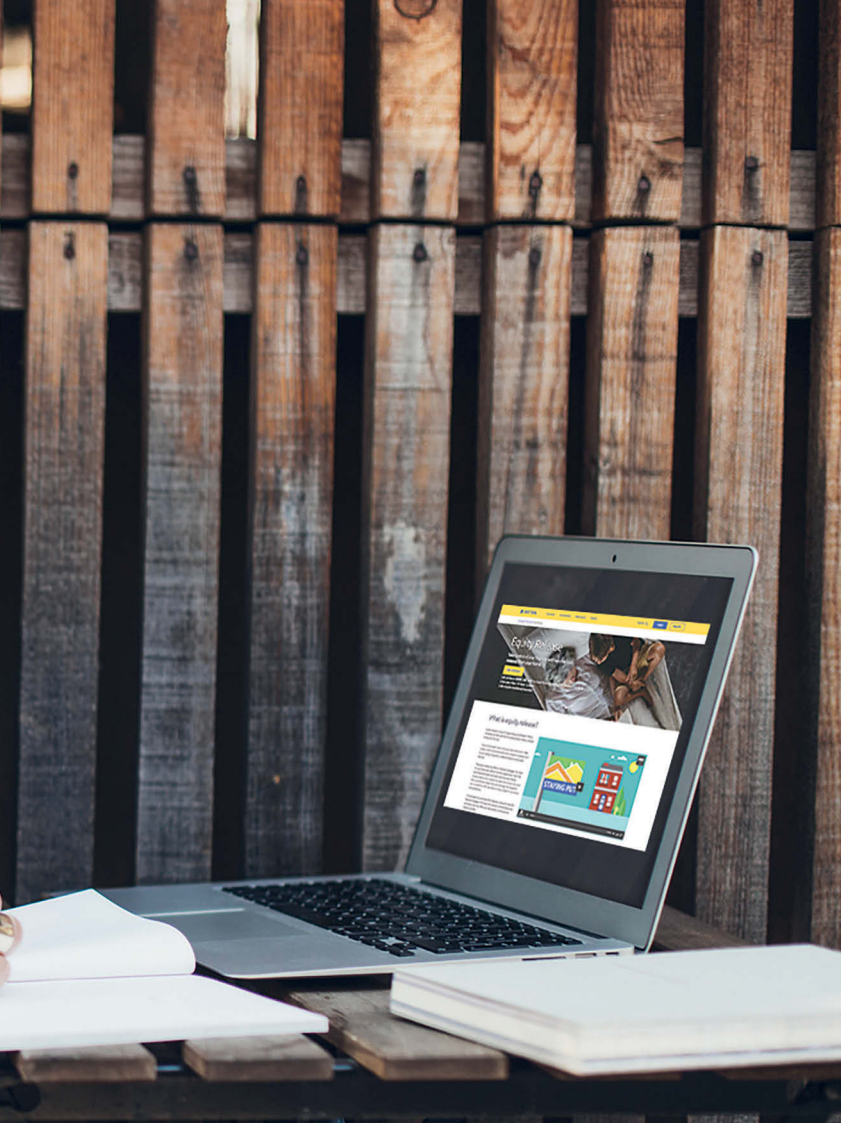
The loan and interest are repaid in full, usually from the sale of your home, when you (and your partner, for a joint lifetime mortgage) die or go into long-term care, subject to our terms and conditions.

Taking out a lifetime mortgage will reduce the amount of inheritance you are able to leave and may affect your tax position and eligibility for welfare benefits.

An Aviva lifetime mortgage could provide the extra funds you need, especially if living costs are rising faster than pensions and savings.

Even if you currently have a mortgage on your property, you may still be eligible for a lifetime mortgage. You must pay your existing mortgage off before or at the same time as taking out the lifetime mortgage. You can use the money you borrow to do this.





An Aviva lifetime mortgage can be used for many different things

From improving your home to funding your retirement, whatever your plan, it's important to think about your options when it comes to putting those plans into action.

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Do you need to release the money?

The first question to ask is whether a lifetime mortgage is the best way for you to fund your plans.

If you have money in pensions, savings or investments you should consider whether these are a better way to fund your future plans. There are costs involved with freeing up cash through a lifetime mortgage and tapping into other sources may be simpler and save you money.

Another way to release the value locked away in your home is to move to a smaller property. But if you want to stay in your current home and avoid the upheaval and costs of moving, then a lifetime mortgage could be a viable option.

You will need to weigh up the pros and cons of all of the options available to you, which is why you have to take financial advice before you can apply for a lifetime mortgage.



Why do people like you take out an Aviva lifetime mortgage?

Our plans are used for a variety of purposes. Here are just a few things that our customers released the money for:

- ✓ **Adapting their home** to enable independent living
- ✓ **Renovating** or refurbishing, from a new kitchen to a new roof
- ✓ **Paying for funerals**
- ✓ **Paying medical bills**, home care or legal fees attached to disputes on paying medical fees and advice on receiving care at home
- ✓ **Helping children and grandchildren** with house deposits, student fees, weddings and other major events
- ✓ **Inheritance tax planning** for managing your estate, wealth and tax planning, and passing on a living inheritance
- ✓ **Paying off an outstanding mortgage** including the shortfall on an interest-only mortgage
- ✓ **Enjoying life** such as leisure interests, buying a new car, taking a holiday or visiting relatives abroad

Involve your family

Although the final decision is yours, we encourage you to talk to your family about your plans, as releasing the equity in your home could affect their lives too. The most obvious example is the amount of inheritance you would be able to leave will be reduced.

You may discover that your family is very supportive of your decision as it's quite possible they may have been concerned about you not having enough money to fund a comfortable future. Equally, they may be worried, so we always encourage our customers to talk about the pros and cons with family members before they take out an Aviva lifetime mortgage.

During the advice and application process your adviser will give you all the facts to help you understand the financial and legal obligations of a lifetime mortgage. You'll have plenty of time to digest everything, consider the options and talk through everything in detail with those closest to you.

The last thing we want to do is rush you, as this is a big decision which requires careful consideration.

We actively encourage family members to join you at any meeting with your adviser. The adviser will be more than happy for them to ask questions and join in the decision-making process.





Providing a living inheritance

It's possible your family might benefit more from receiving a cash lump sum at this stage in their lives, rather than after you're gone. It could help fund things like;

- **Getting onto the property ladder**
- **Paying for a wedding or university fees**
- **To help set up a business**

This is one of the many reasons people choose an Aviva lifetime mortgage to release money from the value of their home.

You can give away £3,000 worth of gifts each tax year without them being added to the value of your estate. Please speak to your adviser to understand what the inheritance tax implications are for gifts above that amount.

Call **0800 141 3459** or visit **[aviva.co.uk/property-plan](https://www.aviva.co.uk/property-plan)**

How much can I release?

Our online lifetime mortgage calculator will help you to work out how much you can release.

It will take less than a minute to enter the answers to a few short questions when you go to www.aviva.co.uk/property-plan

The result you see will give you a broad guideline as to how much you may be able to borrow if you meet all of the eligibility criteria (see page 15 for our checklist).



A rough guide

The table below has been designed to give you a rough indication of the maximum amount you may be able to release with an Aviva lifetime mortgage, the figures are average amounts and are not guaranteed. The actual amount you could release will be based on a number of factors including:

- your age (if you are joint homeowners the youngest age applies)
- the property type, construction and value
- the type of lifetime mortgage you choose
- whether you choose to take our inheritance guarantee
- your health and lifestyle
- for flats and maisonettes we use 85% of the property value to work out how much can be borrowed.

Age	House value				
	£150,000	£200,000	£250,000	£300,000	£350,000
55	£30,750	£41,000	£51,250	£61,500	£71,750
60	£38,250	£51,000	£63,750	£76,500	£89,250
65	£45,000	£60,000	£75,000	£90,000	£105,000
70	£54,000	£72,000	£90,000	£108,000	£126,000
75	£61,500	£82,000	£102,500	£123,000	£143,500
80	£70,500	£94,000	£117,500	£141,000	£164,500
85+	£78,000	£104,000	£130,000	£156,000	£182,000

These figures are for illustration purposes only and are based on our Lifestyle Lump Sum Max product



Are you eligible for an Aviva lifetime mortgage?

Many people choose a lifetime mortgage to fund a happier, more comfortable lifestyle.

However, you will need to meet certain conditions and the general criteria opposite will help you see if you could be eligible. If you are, we can put you in touch with a specialist financial adviser who will give you a personal illustration and highlight the benefits, costs and risks of an Aviva lifetime mortgage.

If you would prefer to speak to your own financial adviser, you can. If you don't have an adviser, but want to speak to one, you can find one near you at www.unbiased.co.uk. Whichever option you choose the adviser may charge for their services.

You could be eligible if the statements below apply to you:

- ✓ The youngest applicant is a homeowner aged 55 or older
- ✓ You are mortgage-free, or have only a small mortgage on your property. Your remaining mortgage will have to be paid off as a condition of taking out an Aviva lifetime mortgage. You can do this from the amount you borrow
- ✓ Your property is in the UK (excluding the Channel Islands or Isle of Man) and worth at least £75,000
- ✓ You live permanently in your home. The property must be your main residence and should not be unoccupied for more than six months at a time
- ✓ You wish to borrow at least £15,000, the minimum amount you can borrow with an Aviva lifetime mortgage

- ✓ You own a home that is freehold (or feuhold/ex-feuhold in Scotland). Leasehold properties could also qualify if they have 160 years remaining on the lease minus the age of the youngest borrower

You should consider other options if the statements below apply to you:

- ✗ You have access to savings, investments or other money you could use first
- ✗ You would prefer to sell your home and move into a smaller property
- ✗ You want to remain in your home, but to sell all, or part of it, rather than take out a loan

Choose from our two Lifetime Mortgage plans

We offer a choice of two lifetime mortgages to help you unlock the equity tied up in your home – Aviva Lifestyle Lump Sum Max and Aviva Lifestyle Flexible Option.

With both options you continue to own your home and you can live in it until you die or move into long-term care, subject to our terms and conditions. In the case of joint lifetime mortgages this applies to both partners.

You don't have to make regular repayments as the loan and interest are usually repaid from the sale of your home at the end of your loan. You don't have to pay tax on the amount you release, but it may affect your tax position and eligibility for welfare benefits.



Lifestyle Lump Sum Max

Our Lifestyle Lump Sum Max allows you to borrow a one-off cash sum of £15,000 or more.

You may also have further options of borrowing a higher amount (based on your age and the current value of your home) or benefiting from a lower fixed interest rate, depending on your health and lifestyle. Your financial adviser will explain how this product can be matched to your personal circumstances.





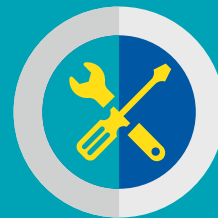
Lifestyle Flexible Option

The Lifestyle Flexible Option offers you a more flexible approach.

As well as receiving an initial cash sum, you can also set up a cash reserve to draw money from in the future, as and when you need it. Choosing this type of plan could be more cost-effective as you only pay interest on the cash you have taken from the plan.

A minimum initial loan amount of £10,000 applies, and a minimum of £5,000 must be placed in your cash reserve.

You could also benefit from a lower interest rate depending on your health and lifestyle. Your financial adviser will explain how this product can be matched to your personal circumstances.



Improving your home

Perhaps you have plans for your home but renovations don't come cheap. They can however make day-to-day living more comfortable. A lifetime mortgage could help you fund home improvements such as;

- ✓ **A new kitchen or bathroom**
- ✓ **Loft conversion**
- ✓ **Redecorating**

This is currently the leading reason why people choose to take out an Aviva Lifetime Mortgage.

Standard product feature



No Negative Equity Guarantee

This guarantee means you or your estate will never have to pay back more than your property is sold for, as long as it is sold for the best price reasonably obtainable.

Optional product features



Inheritance Protection Guarantee

Taking out a lifetime mortgage will reduce the amount of inheritance you can leave, but if you want to be sure of leaving something for your loved ones, our Inheritance Protection Guarantee allows you to safeguard a percentage of your home's value for inheritance purposes. You should bear in mind that adding this guarantee will reduce the amount you are able to borrow.



Voluntary Partial Repayment

Even though you don't have to make any repayments before the end of the plan, once you've had the plan for 12 months you do have the option to make voluntary partial repayments if you wish. The maximum you can repay each year is 10% of the initial amount borrowed (minimum £500).



Adapting your home to meet your changing needs

As you get older, it sometimes becomes more difficult to do the things you could once do with ease. And sometimes, the difference between continuing to live in your own home and moving into a care home is a few adaptations such as;

- ✓ **Installing handrails or ramps**
- ✓ **Downstairs toilet/bathroom**
- ✓ **Fitting a personal alarm**

Why choose Aviva?

Releasing money from your home is a big step and you will want to know that the provider you choose has a strong track record and complies with all financial regulations. Here are some things you should know about Aviva.

- ✓ We're one of the most established and trusted equity release lenders in the UK
- ✓ We've provided lifetime mortgages to over 220,000 homeowners since 1998
- ✓ We only approve lifetime mortgages after each customer has been advised by a professional financial adviser
- ✓ Our Lifetime Mortgages are only available through carefully chosen specialist advisers, or an independent financial adviser who is qualified to sell this type of product

Q&A

Answers to the top ten questions asked by lifetime mortgage customers.

? How much can I release?

The amount you can release is based on the value of your home and your age when you start the plan. You can only release a certain percentage of the value of your home. This will vary depending on your individual circumstances, and will be based on a number of factors, such as the plan you choose, your age, the type and value of your property and whether you take out our inheritance guarantee. You may also be able to borrow a higher amount based on your health and lifestyle. Our products allow you to take a cash lump sum at the outset, and you may also be able to release further amounts in the future. Your adviser will be able to give you a personalised illustration, and talk you through the product features to help you decide the best one for you.

? Can I take out more later?

You may be able to borrow more if your home increases in value or you don't borrow the full amount, subject to our lending criteria at the time. The interest

rate will be calculated on any additional release amount at the time your application is received.

? Do I still own my own home?

Yes, and you can continue to live in it until you die or go into long-term care, subject to our terms and conditions. You'll need to ensure that you maintain the property in a state of good repair. It's also still your responsibility to insure your property and pay all your property-related bills, such as utilities and council tax.

? Can I end the plan early?

Our lifetime mortgages are designed to last for the rest of your life so one may not be suitable if you intend to pay it off early. You are able to end your plan early by paying off the loan and the interest, but you may have to pay a substantial early repayment charge for this. Your adviser will be able to discuss this with you.

? Are there any fees?

You'll need to pay an initial arrangement fee and a valuation fee, so that the value of your home can be independently assessed. The cost of this is dependent on the value of your home, needs to be paid up-front and is non-refundable. In addition to these initial fees, you will have to pay other fees at a later stage.

? What is the interest rate?

A fixed rate of interest will be applied to your loan throughout the term of your product. The rate you pay will depend on the rate applicable at the time you apply and the product you choose. If you take out the Aviva Lifestyle Flexible Option, you won't pay interest on the amount in the cash reserve until it is released - the interest rate for each release will be calculated using the rates that apply at the time. Our lifetime mortgages have a higher rate of interest than a standard mortgage because you don't make any repayments during the term of the mortgage. Again, your adviser will give you all the details.

? Can I move?

The product is portable, which means that if you choose to move in the future, you may be able to take the plan with you. The new property would need to meet our lending criteria at the time, and if it's worth less than the current one you may need to pay back some of the loan and interest.

? Who sells the house?

The lifetime mortgage can be repaid by any means, although it's usually repaid by the money received from the sale of the property. If you go into long-term care, then either you or your solicitor will sell the house. If you die, it

will be sold by the executor looking after your estate. Any money left over after the lifetime mortgage has been repaid will belong to you or your estate.

? Where can I get independent guidance?

You can find out more about lifetime mortgages from the Equity Release Council and the Money Advice Service.

Their contact details are:

Equity Release Council – call **0844 669 7085**
or visit **www.equityreleasecouncil.com**

Money Advice Service – call **0800 138 7777**
or visit **www.moneyadvice.org.uk/en**

? Do I have time to change my mind?

Please be assured that we will not rush the process and you will have plenty of time to consider your options. As previously stated in this brochure, family members are welcome and encouraged at your meeting with your financial adviser and you will not be pressured into signing before a deadline. The process can take 6 to 8 weeks from the date we receive your application.



If you've considered all of your options and think that a lifetime mortgage may be right for you...

The first thing to do is read through the Questions and Answers on the previous two pages. These are based on questions we are most often asked about Aviva lifetime mortgages

Call us and one of our friendly UK team will ask you a few questions and then put you through to a carefully chosen, qualified financial adviser who is authorised to discuss Aviva lifetime mortgages in detail with you.

If you would prefer to speak to your own financial adviser, you can. If you don't have an adviser, but want to speak to one, you can find one near you at **www.unbiased.co.uk**. Whichever option you choose the adviser may charge for their services.

Contact Aviva today

Call 0800 141 3459

Visit aviva.co.uk/property-plan

Lines are open Monday to Friday 9am to 5.30pm, and for your protection calls may be monitored or recorded.

The process of applying for a lifetime mortgage usually takes six to eight weeks from the date we receive your application, so there is plenty of time for you to ask questions and if necessary change your mind. You'll find a full breakdown of the process, on the back page of this guide.

7 steps to an Aviva Property Plan

- 1.** Call us on **0800 141 3459** to make a no-obligation appointment with a specialist financial adviser. Although the adviser isn't employed by us they can only advise on our lifetime mortgages. They'll look at all your circumstances before advising if a lifetime mortgage is right for you. If you would prefer to speak to your own financial adviser, you can. If you don't have an adviser, but want to speak to one, you can find one near you at **www.unbiased.co.uk**. Whichever option you choose the adviser may charge for their services.
- 2.** Your adviser will review your needs and future plans with you.
- 3.** Your adviser will then meet you in person, make their recommendation and outline details of the plan.
- 4.** We encourage you to discuss your plan and options with your family and decide if a lifetime mortgage is right for you.
- 5.** If you decide you want to go ahead, make a final appointment with the adviser to complete your application form. Your adviser will arrange an independent valuation of your home and confirm exactly how much money you can release.
- 6.** You will receive your offer which will confirm the amount you can borrow. Discuss the plan with your adviser and solicitor and then sign the legal paperwork.
- 7.** You will receive the money through your solicitor.

Contact Aviva today

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Authorised and regulated by the Financial Conduct Authority.

Firm Reference Number 310433.



PF011273B 08/2018