

Lifetime mortgage calculator user guide

Lifestyle Flexible Advantage

Introduction

The lifetime mortgage calculator has been designed to help you explain to your customer how the Aviva Lifestyle Flexible Advantage product can meet their later life lending needs.

Key features:

- Single and joint life modelling
- Multiple repayment scenario options (including no repayments)
- Property growth and potential impact of negative equity
- Data comparison chart and visual table to assist with customer understanding
- Key information on the overall impact of making repayments
- Comparative AER to compare Aviva's Lifestyle Flexible Advantage product to other repayment products you may be considering
- Save to pdf for client records and advice governance

Instructions to use the calculator

- Download the excel document from the [Lifetime mortgage calculator](#) webpage
- On first use you will be required to 'Enable content'

 PROTECTED VIEW Be careful—files from the Internet can contain viruses. Unless you need to edit, it's safer to stay in Protected View. [Enable Editing](#)

- and then prompted to 'Enable macros'

 SECURITY WARNING Macros have been disabled. [Enable Content](#)

- The Lifetime mortgage calculator has been designed and tested to work with Microsoft Excel with backward compatibility to Excel 2003
- To view the exported PDF you'll need a PDF reader such as Adobe Acrobat Reader or a built-in version in your web browser. PDF export is not supported by Excel 2003 or earlier

Aviva has taken reasonable steps to ensure that anyone on a compatible version of excel can then use the calculator. Local IT controls may be in place so if you encounter access or performance issues please contact your IT team.

If you need additional support you can contact us [here](#)

User inputs

The screenshot shows a user input form for a calculator. At the top right, there is a checkbox labeled 'Include Life 2?' which is currently unchecked. Below this, the form is divided into several sections: 'Life 1 details' with 'Gender' set to 'Female' and 'Age' set to '65'; 'Loan Details' with 'Loan/Amount' at '£35,000', 'Interest Rate (%)' at '7.00%', and 'Uplift (%)' at '10.0%'. A note next to the uplift field states '*the uplift can be found in Section 14 of the KFI'. The 'Repayment Details' section includes 'Frequency' set to 'Monthly', 'Length' set to 'Entire Term', 'Repayment Scenario' set to 'Regular repayments', and 'Payment Amount' at '£100.00'. At the bottom, there is an optional 'Property Details' section with 'Property Value' at '£300,000' and 'Property Growth (%)' at '2'. The form has a teal background and is framed by a yellow border. At the bottom left is a yellow 'Cancel' button and at the bottom right is a yellow 'Next' button.

You will need to enter customer details to enable the calculation.

The calculator can model repayments:

- For the full duration of the loan, based on the customer's assumed life expectancy
- For a fixed number of years

Repayment scenarios available:

- **Interest serviced.** Enter the percentage of interest you want to service. The calculator will show the amount the customer needs to pay to achieve this. The uplift percentage required for this can be found in Section 14 of the customer's Key Facts Illustration (KFI) or in the Adviser sales aid
- **Full Voluntary Partial Repayment (VPR) allowance.** Displays the repayment required for the customer to use their full 10% VPR allowance, without incurring an early repayment charge
- **Regular payments.** Enter any amount you wish to model

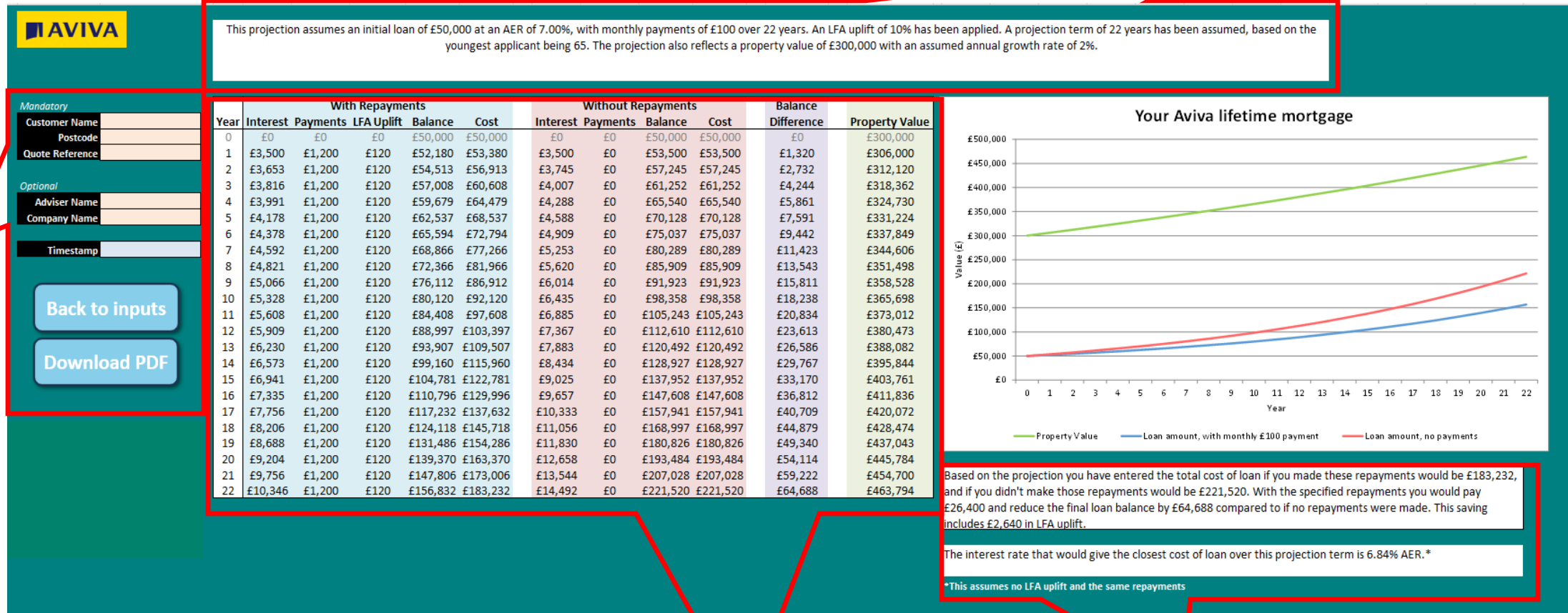
If the customer does not want to make repayments, enter 0.00 as the repayment amount.

You can also set a property growth assumption based on your knowledge of the customer's property and current market conditions. Including property details helps illustrate how repayments may affect the risk of negative equity.

Calculator outputs

Input summary

Save



Data comparison

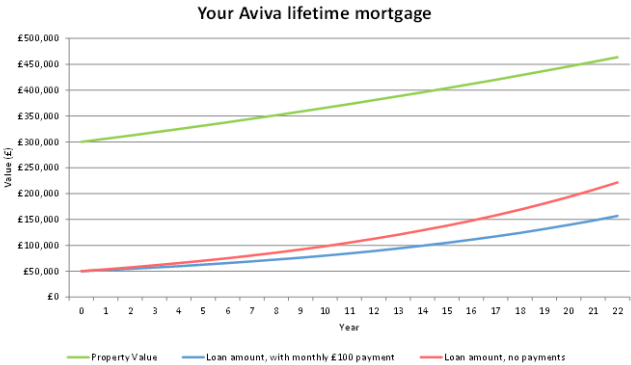
Repayment impact

What does the data comparison tell me

The data comparison shows the impact that making repayments can have on the customers loan account. It shows a direct comparison between making payments and not making payments.

Year	With Repayments					Without Repayments				Balance Difference	Property Value
	Interest	Payments	LFA Uplift	Balance	Cost	Interest	Payments	Balance	Cost		
0	£0	£0	£0	£50,000	£50,000	£0	£0	£50,000	£50,000	£0	£300,000
1	£3,500	£1,200	£120	£52,180	£53,380	£3,500	£0	£53,500	£53,500	£1,320	£306,000
2	£3,653	£1,200	£120	£54,513	£56,913	£3,745	£0	£57,245	£57,245	£2,732	£312,120
3	£3,816	£1,200	£120	£57,008	£60,608	£4,007	£0	£61,252	£61,252	£4,244	£318,362
4	£3,991	£1,200	£120	£59,679	£64,479	£4,288	£0	£65,540	£65,540	£5,861	£324,730
5	£4,178	£1,200	£120	£62,537	£68,537	£4,588	£0	£70,128	£70,128	£7,591	£331,224

Data heading	Description
Year	From this column you can see how many years we have based the projection over. This will vary based on the customer(s) age. It will match the duration of the KFI and Offer documents
Interest	This is the total interest that will accrue in that year
Payments	Total amount that the customer will repay during the year
LFA Uplift	Total amount of interest servicing uplift that will apply in that year. The uplift is only given against accrued interest in year therefore any payments made above that will not have the uplift applied.
Balance	The loan balance at the end of the year
Cost	This is the loan balance plus the payments the customer has made in that year
Balance difference	The difference between the Balance of the loan where the customer has made no payments, less the balance of the loan with payments made.
Property value	The property value entered, adjusted based on the property growth assumption you set.



This results are provided in a table and a supporting chart

Repayment impact

Based on the projection you have entered the total cost of loan if you made these repayments would be £183,232, and if you didn't make those repayments would be £221,520. With the specified repayments you would pay £26,400 and reduce the final loan balance by £64,688 compared to if no repayments were made. This saving includes £2,640 in LFA uplift.

The interest rate that would give the closest cost of loan over this projection term is 6.84% AER.*

*This assumes no LFA uplift and the same repayments

Repayment impact gives you the key information you need to explain the overall impact to the customer. In this example the customer has paid £26,400 but the loan balance at the end of the term has reduced by £64,688. The payments made by the customer have therefore reduced the impact of compound interest to give them a lower loan balance.

To assist in showing a direct comparison between Aviva's Lifestyle Flexible Advantage product and other repayment based products we have then showed what the equivalent AER is based on the loan balance at the end of the term without any uplift but with the same repayments.

Save

Mandatory

Customer Name	
Postcode	
Quote Reference	

Optional

Adviser Name	
Company Name	

Timestamp

[Back to inputs](#)

[Download PDF](#)

You can save each calculation by using the Download PDF feature. You will need to complete the mandatory fields and then select Download PDF. The file will be date and time stamped and you will be asked to select the location that you want to save the PDF file.

To change anything about the calculation you can select 'Back to inputs' Your previous data entry will still be visible and you can edit this as required.

