

# A guide for **Power of Attorney** or Court of Protection appointed deputy

Acting as a Power of Attorney carries many important legal responsibilities. It gives you legal authority to help with property and financial affairs, or health and welfare decisions.

This guide works alongside the terms and conditions to help you to understand what a lifetime mortgage is, and what your responsibilities are as a Power of Attorney.

If you have any questions about the information in this guide, you can call us on 0800 158 4177 (Monday to Friday 9:00am - 5:00pm).

## **What's a lifetime mortgage?**

A lifetime mortgage is sometimes referred to as equity release. It's a loan secured against the value of the borrower's home. Customers can use equity release for many reasons including home improvements, topping up their income or pension, daily living expenses, holidays, a new car and care fees.

Unlike a normal residential mortgage, there are no mandated regular payments. The interest basis of the loan is compound interest, added daily and compounded annually. It becomes repayable when the borrower or borrowers either pass away or leaves the property permanently for long-term care.

The contract requires that the property must be kept insured and in good condition. If leasehold, you must continue to pay any ground rent and service charges and abide by the terms of the lease.

If the lifetime mortgage customers leave the property due to care needs then the property must not be rented or subjected to any other occupation or tenancy.

Please see the terms and conditions for a full list of contractual requirements for the things you must and must not do.

## How do we register the Power of Attorney?

To register a Power of Attorney with Aviva, please send us either:

- The original Power of Attorney document. It must be complete and include all pages, or
- Send us a certified copy of the Power of Attorney with proof of the attorney(s) identity. It must be complete and include all pages. The following people can certify a document is the copy of an original: Solicitors, Notary Public (a type of lawyer), Stockbroker, Donor (if they have capacity to do so). The certifier will need to provide a 'wet' signature (signed in pen on paper) on every page, date it and include their name, occupation, contact details, employment address. We can't accept a photocopy or scanned copy of the certified document. Send it to the address below with a cover letter, quoting the lifetime mortgage number and return address.

**Aviva, PO BOX 520, Norwich, NR1 3WG**

## Can you borrow more money?

It may be possible to borrow extra funds. There are two ways of doing this:

- 1 **Additional borrowing** - This involves setting up an extra loan. The amount available will depend on a few different factors, including the age of the customer, the current property value and the total amount already owed. You can contact us to find out if funds are available, but you would need to speak to a financial adviser to arrange any additional borrowing contract.
- 2 **Cash reserve** - The borrower can choose to include a cash reserve facility when arranging a lifetime mortgage. The cash reserve is an additional amount of money available to drawdown in the future. Please check the equity release paperwork to check if a cash reserve formed part of the original loan. The most recent statement will confirm the remaining reserve balance.

## Can you repay the lifetime mortgage?

The loan becomes repayable when the borrower (or borrowers if joint) either passes away or leaves the property for long-term care. If you voluntarily repay the loan in full before it becomes contractually repayable, then an early repayment charge could apply.

Please check the original documents or contact us to confirm if an early repayment charge is payable. If you'd like to voluntarily repay, get in touch for details on how to repay and confirmation of any documents we'll require.

## Are there any restrictions or extra steps required when using a Power of Attorney or Court of Protection appointed deputy?

There are strict restrictions with how to use a Power of Attorney or deputy. We'll need to understand the reason for releasing funds from the cash reserve and may also request additional proof such as invoices, receipts and bank statements.

The Office of the Public Guardian and the Court of Protection have strict restrictions on the use of funds when a power of attorney is acting on behalf of a borrower. When we release funds, they can only be used for the benefit of the borrower, so the Court of Protection must grant permission if they are not the primary beneficiary of the money released.

## Things to consider before transacting on the lifetime mortgage:

- Is the borrower entitled to any state benefits or can you raise funds by other means?
- Have you discussed the equity release with the borrower's family?
- Have you considered the customer's health and life expectancy? Any released funds may impact the ability to fund later life financial requirements such as long-term care.
- Do you have a clear understanding of the lifetime mortgage? We would recommend you consider seeking financial and legal advice before making any decisions.
- We can only release funds into the lifetime mortgage holder's own personal bank account.
- If making a drawdown from the cash reserve is the reason for loan permissible under the Power of Attorney? The reason for borrowing further funds must be for the benefit of the borrower only. If you are unsure, then you should discuss this with the Office of the Public Guardian and the Court of Protection before transacting and releasing funds.

## Need this in a different format?

Please get in touch if you'd prefer this document (PF011880) in large print, braille or as audio.

### How to contact us

 0800 068 6800

 [contactus@aviva.com](mailto:contactus@aviva.com)

 [aviva.co.uk](http://aviva.co.uk)