

A guide to **repaying** your Lifetime Mortgage

This guide is to help you understand what happens when your lifetime mortgage becomes repayable, when you (or both of you if a joint plan) pass away or leave the property permanently for long term care.

It's likely to be your family or the executor of your will that handles the repayment, and there are actions you can take now to make the process easier when the time comes.

Do we have to sell the property?

For most people, repaying the loan means selling the property to raise the funds. If you can raise the funds by other means, we can usually accept this instead, allowing the property to remain in your ownership.

The Lifetime Mortgage must be repaid in full within 12 months of the date you (or both of you if it's a joint plan) pass away or leave the property permanently for long-term care.

We understand there may be circumstances where the loan can't be repaid within 12 months, so we ask that you keep us updated on your plans for repayment. If progress is being made, for example the sale of the property has been agreed and is awaiting completion, we may give you more time.

Who's responsible for repaying the lifetime mortgage if I have passed away or unable to sell the property myself due to needing long term care?

It is the responsibility of you or your representatives to repay the lifetime mortgage when the time comes, and it's important to plan ahead. It can be difficult to think about the inevitable happening but being prepared can make the process much easier for you, your family and your loved ones. An important step in planning for the future is to consider arranging a Power of Attorney and writing a Will. Without these in place, it can cause significant delays and be difficult and for your representative to be granted the authority to manage your affairs. Any delays will increase the amount owed when the lifetime mortgage is repaid, meaning less money could be left to your estate.

What's a power of attorney?

A power of attorney is a legal document, which lets you choose one or more people to act on your behalf as a public guardian. Each person is known as your Power of Attorney. If you're in a position where you can't make decisions or don't want to, your power of attorney can step in.

The document gives them legal authority to help with property and financial affairs or health and welfare decisions. If you're unable to repay your Lifetime Mortgage, you may need your power of attorney to act on your behalf.

For more information, check out our guide ['Do I need a power of attorney?'](#) If you'd like a copy by post, give us a call on 0800 158 4177 (Monday to Friday 9:00am - 5:00pm)

What is a will and how do I write one?

Another important step in planning for the future is to write a will and keep it up to date. It's especially important if your marital status changes, you find a new partner, or your family expands.

A will makes sure your wishes are carried out after you die. Within the will, you name the people you would like to administer your estate (the executors) and who you would like to leave your property, money and possessions to (the beneficiaries).

In the UK, there are several ways you can set up a will:

- You can write it yourself - it needs to meet certain legal requirements to be valid
- Use a will writing service - there are many companies who offer this
- Use a solicitor - it may be necessary to do this if you have a complex estate or want to make sure your will is legally valid

What's probate?

Probate is the legal document which is sometimes required to administer the estate of the person who has died. The estate includes their property, money and possessions.

Probate isn't always required to settle the estate. However, for the purposes of repaying the lifetime mortgage, probate would be necessary to market and sell the property. It may also be needed to access other assets such as investments or bank accounts.

Who can apply for probate?

It depends if you've left a will naming the executors. If so, they can apply for probate to administer your estate and carry out your wishes. They can do this on the government website or by speaking to a solicitor.

If you don't have a will, the closest living relative can apply for something similar known as 'Letters of Administration.' Without a will, there will be no named beneficiaries your property, money and possessions. Instead, they will be left to your closest living relatives.

In Scotland, in either case the document is called a Certificate of Confirmation.

Can we simply give Aviva the keys to sell the property?

In some circumstances, we can accept the keys to the property instead of you, your POA or your executor arranging repayment of the lifetime mortgage.

The mortgage agreement gives Aviva the right to market the property for sale to repay the loan without involvement from the family or executors. We encourage you to take legal advice before considering this option, to make sure it's the right choice for you.

Please get in touch with Aviva using the details below if you'd like to explore this further.

How to get in touch about repaying a lifetime mortgage

If you have any questions about the information in this guide, or you'd like to get in touch about repaying a lifetime mortgage:

Arrange a call back by giving us a ring on -

0800 158 4177

(Monday to Friday 9:00am - 5:00pm)

Email us at - ercicdirect@aviva.com

Write to us at - Aviva, PO Box 520, Norwich, NR1 3WG

Need this in a different format?

Please get in touch if you'd prefer this document (PF011881) in large print, braille or as audio.

How to contact us

 **0800 068 6800**

 **contactus@aviva.com**

 **aviva.co.uk**