

Lifetime mortgage

# Variable Individual Gilt Early Repayment Charges Explained



Available to customers who applied for their lifetime mortgage on or before 23 January 2022

Your lifetime mortgage is designed to be repaid when you (and the second borrower if you have a joint lifetime mortgage) die or need long-term care subject to the terms and conditions. But circumstances can change, and you may find that you want to repay your loan in full at an earlier date. If you need to do this, you may have to pay an early repayment charge.

This booklet covers the Variable Individual Gilt early repayment charge, and in it we explain:

- Why we make this early repayment charge
- When you would need to pay it – or not
- How the early repayment charge works
- How to check how much the early repayment charge will be.

The Variable Individual Gilt early repayment charge is no longer available to new lifetime mortgages. If you already have a lifetime mortgage which completed using the Variable Individual Gilt early repayment charge, it will also apply to any further money you borrow from us after the initial loan.

We currently offer a Fixed Percentage and a Variable Gilt Index early repayment charge and once your lifetime mortgage completes, the type of early repayment charge you've chosen can't be changed. It will also apply to any further money you borrow from us after the initial loan.

## Fixed Percentage - Early Repayment Charge

If you would like more information on our Fixed Percentage early repayment charge:

- Speak to your equity release adviser
- Give us a call on **0800 158 4177** (calls may be recorded or monitored)
- Download a copy from our website at [aviva.co.uk/adviser/documents/view/pf011601c.pdf](https://aviva.co.uk/adviser/documents/view/pf011601c.pdf)

## Variable Gilt Index - Early Repayment Charge

If you would like more information on our Variable Gilt Index early repayment charge:

- Speak to your equity release adviser
- Give us a call on **0800 158 4177** (calls may be recorded or monitored)
- Download a copy from our website at [aviva.co.uk/adviser/documents/view/pf011612c.pdf](https://aviva.co.uk/adviser/documents/view/pf011612c.pdf)

## Why is there an early repayment charge?

Lifetime mortgages are usually repaid when the borrower dies or needs long-term care. We use relevant statistics to determine how far in the future we might expect loans to be repaid and set our rates and fees accordingly. If a loan is repaid early we may need to recover our costs. For example, the transaction costs of reinvesting the money or the cost of changes in long-term interest rates.

## When we don't make an early repayment charge

In certain circumstances we **don't** apply an early repayment charge when a lifetime mortgage is repaid. They're summarised below and you can find more information on each in the lifetime mortgage terms and conditions.

1. If you are joint borrowers and your lifetime mortgage is repaid within 3 years of the date on which the first of the borrowers dies or needs long-term care. This feature is available on lifetime mortgage applied for on or after 28 April 2014.
2. When the lifetime mortgage is repaid because you and all borrowers have either died or meet our long-term care criteria.
3. You move to a new property and we agree you can transfer your lifetime mortgage to that property.
4. If you want to move to a new property that doesn't meet our current lending criteria, but you're eligible for downsizing protection.
5. You want to sell part of your property and we give our consent.
6. You'd like someone to move into the property with you as a joint borrower and for the lifetime mortgage to be repayable when the last person dies or goes into long-term care.
7. If you're making voluntary partial repayments up to a maximum of 10% per year of the total amount borrowed, you won't pay an early repayment charge on these repayments. This feature is available on lifetime mortgages applied for on or after 28th April 2014.
8. Your gilt, that's been assigned to your lifetime mortgage has expired.
9. If the gilt yield on the repayment date is the same or higher than it was on the completion date of your lifetime mortgage.

## Why we use gilts

A 'gilt' is another word for a UK government bond. The government issues these to raise money for public spending. The term 'gilt' or 'gilt-edged security' refers to their primary characteristic as an investment: their security.

The interest rate on your lifetime mortgage is fixed at the start, but as the loan is designed to last for the rest of your life, we need an independent guide to what's likely to happen to interest rates over the same timescale. Gilts give a good indication of long-term interest rates, which is why we use changes in gilt yields (the rate of return the government offers on its gilts) to calculate early repayment charges. There are two advantages of this:

1. Gilts are impartial and transparent. They're a truly independent guide as Aviva has no say in whether gilt yields rise or fall.
2. You won't have to pay an early repayment charge if gilt yields have risen. But if gilt yields fall this would mean we'd lose out when reinvesting, so then we would make an early repayment charge.

## How the Variable Individual Gilt early repayment charge works

To work out if an early repayment charge applies and how much the early repayment charge will be, we use UK government bonds (gilts) which are published daily in the Financial Times.

When you complete your lifetime mortgage, your loan will be assigned an individual gilt. The gilt name will be shown on your completion letter. To check if an early repayment charge will apply, we look at the movement in the redemption yield of the individual gilt assigned to your loan on the date the lifetime mortgage completed and on the date you choose to repay.

- If the redemption yield percentage is the same or higher than it was at completion, there is no early repayment charge to pay.
- If the redemption yield percentage has fallen by 0.125% or more we will make an early repayment charge unless one or more of the exemptions apply.

The charge will not be more than 25% of the total amount you've borrowed.

If, after taking out your initial loan, you apply for additional borrowing or take withdrawals from your cash reserve, the early repayment charge for those would depend on how long you've held each individual loan and what the current gilt yield is compared to when each loan was taken out.

### 4 important documents you must read to understand the early repayment charge

**Key facts illustration** – shows the early repayment charge at different times during the loan

**Early repayment charge table sent with your lifetime mortgage offer documents** – shows the early repayment charge that could apply for each year you've had your loan and for different falls in gilt yield

**Terms and conditions** – explains how the early repayment charge works

**Lifetime mortgage completion letter** – shows the specific gilt linked to your contract. It will also tell you the gilt yield percentage on the day you receive your money. This figure is crucial for calculating any early repayment charge. Please make a note of this figure.

The yield will rise and fall with market conditions. What happens to the gilt yield determines whether or not there is an early repayment charge.

## How to check what the early repayment charge will be

If you're considering repaying your lifetime mortgage early, you can find out if an early repayment charge applies and how much you would need to pay in a number of ways:

- Online with **MyAviva**. Your current early repayment charge is shown at all times, alongside other ways you can manage your lifetime mortgage online. To register for MyAviva go to **direct.aviva.co.uk**
- Call us on **0800 158 4177** to ask for an early repayment charge quote.
- Take a look at your most recent **annual statement** for details of what the early repayment charge was at the statement date. It may have increased slightly since then as interest will have been added, but it's a quick way to get an idea of what you'd need to pay.

If you like you can **work out the early repayment charge yourself**. We show how to do it in the next section of this guide.

## Work out your early repayment charge in 5 steps

To work out the early repayment charge you'll need:

- **Completion letter** - if you have more than one loan you'll need the letter for each loan. If you can't find your completion letter, call us on **0800 158 4177** (calls may be recorded or monitored).
- **ERC table** we sent you with your lifetime mortgage offer. If you have more than one loan you'll need the ERC table for each loan.

### Step 1 - Check the completion date, gilt name and the gilt yield

- Check the completion date on your completion letter so you know how many years you've had your loan.
- Check the gilt name and the gilt yield on the completion letter.

**NOTE:** If you have more than one loan you'll need the completion letter for each loan.

### Step 2 - Find your Early repayment charge table

You'll need the **Early repayment charge table** we sent you with your lifetime mortgage offer.

### Step 3 - Find out today's gilt yield for your gilt

- You'll need to register on the **Tradeweb** website.
- Once registered, you can find out the **gilt yield for your gilt** today (which you've identified from your completion letter in Step 1)
- You can register on Tradeweb free of charge in a few simple steps by using this address: "[reports.tradeweb.com/account/register/](https://reports.tradeweb.com/account/register/)".
- You can give us a call if you need help with this and we can talk you through how to register and use the site.

### Step 4 - Work out the change in gilt yield

- You'll need to work out the **change in gilt yield** between the date your loan was completed (Step 1) and today's date (Step 3).

### Step 5 - Calculate the early repayment charge

- Use the **early repayment charge table** (Step 2) to find out what the early repayment charge amount will be.

## Example repayments

To help you work out your repayments we've included three examples.

- See Example 1 on the following page if you've borrowed only your initial loan and you've not made any voluntary or mandatory partial repayments.
- Use Example 2 on page 8 if you've borrowed only your initial loan and you've made either voluntary or mandatory partial repayments
- Use Example 3 on page 11 if you've taken out more than one loan, for example additional borrowing or cash reserve release since your initial loan.

## Example 1 - one loan with no voluntary or mandatory partial repayments

- You've taken out a lump sum max product for £22,069 and have only the one loan.

### Step 1 - Check the completion date, gilt name and the gilt yield

- Completion date is: **26/07/2019**
- Gilt name is: **UKT 1.5 07/47**
- Giltyield is: **1.36%**

#### Lifetime Mortgage – release of funds

I am pleased to tell you that your loan has been advanced.

The cash payment was paid to our legal adviser's account on **26th July 2019**.

You don't need to make any repayments for the remainder of this lifetime mortgage. This is because the total amount you owe is only paid back when you die or leave your home to go into long-term care.

Once you've had your lifetime mortgage for one year you can make partial repayments if you want to. The maximum amount you can repay each year is 10% of the initial amount you borrowed. You can repay in up to 4 instalments each year but these must be a minimum amount of £500 each.

#### Rates specific to your loan

The interest rate of 4.33% per annum compound will be calculated on the total amount borrowed of £22,069.00.

The redemption yield for the **UKT 1.5 07/47** gilt on the date your loan was advanced was **1.36%**.

For further details, please refer to the Lifetime Mortgage terms and conditions booklet sent to you previously.

### Step 2 - Find your Early repayment charge table

#### Lifestyle Lump Sum Max

Single Borrowers age 60-64 - Reference Gilt: UKT 1.5 07/47

Lifetime Mortgage Number :  
Loan Amount : £22069

You repay your loan in year	Change in Gilt Yield								
	No change or rise	0.5% fall	1% fall	1.5% fall	2% fall	2.5% fall	3% fall	3.5% fall	Maximum Charge
1	£0.00	£2,731.74	£5,463.49	£5,490.37	£5,517.25	£5,517.25	£5,517.25	£5,517.25	£5,517.25
2	£0.00	£2,734.70	£5,469.39	£5,493.32	£5,517.25	£5,517.25	£5,517.25	£5,517.25	£5,517.25
3	£0.00	£2,735.31	£5,470.62	£5,493.93	£5,517.25	£5,517.25	£5,517.25	£5,517.25	£5,517.25
4	£0.00	£2,733.69	£5,467.38	£5,492.31	£5,517.25	£5,517.25	£5,517.25	£5,517.25	£5,517.25
5	£0.00	£2,729.92	£5,459.85	£5,488.55	£5,517.25	£5,517.25	£5,517.25	£5,517.25	£5,517.25
6	£0.00	£2,723.81	£5,447.61	£5,482.43	£5,517.25	£5,517.25	£5,517.25	£5,517.25	£5,517.25
7	£0.00	£2,715.08	£5,430.15	£5,473.70	£5,517.25	£5,517.25	£5,517.25	£5,517.25	£5,517.25
8	£0.00	£2,703.83	£5,407.66	£5,462.46	£5,517.25	£5,517.25	£5,517.25	£5,517.25	£5,517.25
9	£0.00	£2,690.39	£5,380.77	£5,449.01	£5,517.25	£5,517.25	£5,517.25	£5,517.25	£5,517.25
10	£0.00	£2,674.73	£5,349.45	£5,433.35	£5,517.25	£5,517.25	£5,517.25	£5,517.25	£5,517.25
11	£0.00	£2,656.42	£5,312.83	£5,415.04	£5,517.25	£5,517.25	£5,517.25	£5,517.25	£5,517.25
12	£0.00	£2,635.05	£5,270.10	£5,393.68	£5,517.25	£5,517.25	£5,517.25	£5,517.25	£5,517.25
13	£0.00	£2,610.40	£5,220.80	£5,369.02	£5,517.25	£5,517.25	£5,517.25	£5,517.25	£5,517.25
14	£0.00	£2,582.42	£5,164.84	£5,341.04	£5,517.25	£5,517.25	£5,517.25	£5,517.25	£5,517.25
15	£0.00	£2,551.24	£5,102.48	£5,309.86	£5,517.25	£5,517.25	£5,517.25	£5,517.25	£5,517.25
16	£0.00	£2,517.01	£5,034.01	£5,275.63	£5,517.25	£5,517.25	£5,517.25	£5,517.25	£5,517.25

### Step 3 - Find out today's gilt yield for your gilt

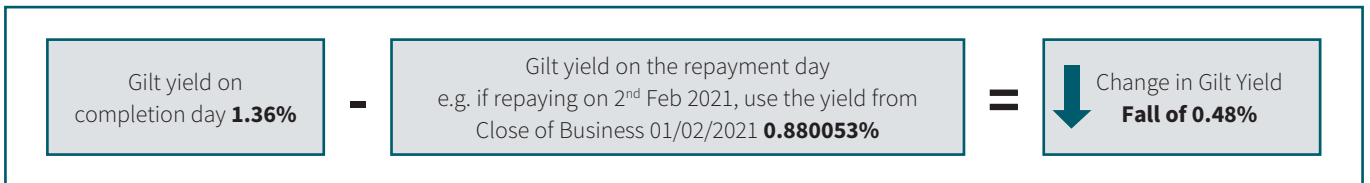
Once registered on Tradeweb, you can find out the gilt yield for your gilt (**UKT 1.5 07/47**) today.

We use the figure from close of business the previous working day e.g. if repaying on 2 February, we use the yield at close of business on 1 February 2021 **0.880053%**

Gilt Name	Close of Business Date	ISIN	Type	Coupon	Maturity	Clean Price	Dirty Price	Yield	Mod Duration	Accrued Interest
Type: Conventional										
UKT 1.5 07/47	01/02/2021	GB00BDCHBW80	Conventional	1.500	22/07/2047	114.610	114.655580	0.880053	22.200234	0.045580
UKT 1.5 07/47	02/02/2021	GB00BDCHBW80	Conventional	1.500	22/07/2047	113.740	113.789724	0.914330	22.174301	0.049724
UKT 1.5 07/47	03/02/2021	GB00BDCHBW80	Conventional	1.500	22/07/2047	113.330	113.383867	0.930563	22.160548	0.053867
UKT 1.5 07/47	04/02/2021	GB00BDCHBW80	Conventional	1.500	22/07/2047	111.480	111.538011	1.004840	22.107254	0.058011
UKT 1.5 07/47	05/02/2021	GB00BDCHBW80	Conventional	1.500	22/07/2047	110.000	110.070442	1.065207	22.057691	0.070442
UKT 1.5 07/47	08/02/2021	GB00BDCHBW80	Conventional	1.500	22/07/2047	110.290	110.364586	1.053242	22.063150	0.074586
UKT 1.5 07/47	09/02/2021	GB00BDCHBW80	Conventional	1.500	22/07/2047	110.960	111.038729	1.025780	22.079204	0.078729
UKT 1.5 07/47	10/02/2021	GB00BDCHBW80	Conventional	1.500	22/07/2047	110.290	110.372873	1.053164	22.057707	0.082873
UKT 1.5 07/47	11/02/2021	GB00BDCHBW80	Conventional	1.500	22/07/2047	110.640	110.727017	1.038774	22.064816	0.087017
UKT 1.5 07/47	12/02/2021	GB00BDCHBW80	Conventional	1.500	22/07/2047	109.260	109.359448	1.095558	22.017604	0.099448
UKT 1.5 07/47	15/02/2021	GB00BDCHBW80	Conventional	1.500	22/07/2047	107.710	107.813591	1.160428	21.970106	0.103591
UKT 1.5 07/47	16/02/2021	GB00BDCHBW80	Conventional	1.500	22/07/2047	106.620	106.727735	1.206688	21.935295	0.107735
UKT 1.5 07/47	17/02/2021	GB00BDCHBW80	Conventional	1.500	22/07/2047	108.120	108.231878	1.143095	21.976595	0.111878
UKT 1.5 07/47	18/02/2021	GB00BDCHBW80	Conventional	1.500	22/07/2047	107.100	107.216022	1.186183	21.944031	0.116022
UKT 1.5 07/47	19/02/2021	GB00BDCHBW80	Conventional	1.500	22/07/2047	105.680	105.808453	1.246934	21.893569	0.128453

### Step 4 - Work out the change in gilt yield

Work out the change in gilt yield between the date your loan was completed (Step 1) and today's date (Step 3)



## Step 5 - Calculate the early repayment charge

Round your gilt yield fall to the nearest 0.25%.

1. In this case study, the **yield fall is 0.48%**, so rounding this to the nearest 0.25%, takes you to a 0.50% fall (as 0.48 is nearer to 0.50 than 0.25).
2. If repaying on 2<sup>nd</sup> Feb 2021 – you are repaying in **Year 2** (26/07/2019 to 25/07/2020 = 1 complete year, so now you are in year 2)

**The early repayment charge = £2,734.70**

Gilt yields can change daily as they are affected by market conditions external to Aviva. They can rise and fall, which has a direct impact on any early repayment charge you may have to pay.

### Lifestyle Lump Sum Max

Single Borrowers age 60-64 - Reference Gilt : UKT 1.5 07/47

Lifetime Mortgage Number:

Loan Amount: £22069

You repay your loan in year	Change in Gilt Yield								
	No change or rise	0.5% fall	1% fall	1.5% fall	2% fall	2.5% fall	3% fall	3.5% fall	Maximum Charge
1	£0.00	£2,731.74	£5,463.49	£5,490.37	£5,517.25	£5,517.25	£5,517.25	£5,517.25	£5,517.25
2	£0.00	£2,734.70	£5,469.39	£5,493.32	£5,517.25	£5,517.25	£5,517.25	£5,517.25	£5,517.25
3	£0.00	£2,735.31	£5,470.62	£5,493.93	£5,517.25	£5,517.25	£5,517.25	£5,517.25	£5,517.25
4	£0.00	£2,733.69	£5,467.38	£5,492.31	£5,517.25	£5,517.25	£5,517.25	£5,517.25	£5,517.25
5	£0.00	£2,729.92	£5,459.85	£5,488.55	£5,517.25	£5,517.25	£5,517.25	£5,517.25	£5,517.25
6	£0.00	£2,723.81	£5,447.61	£5,482.43	£5,517.25	£5,517.25	£5,517.25	£5,517.25	£5,517.25
7	£0.00	£2,715.08	£5,430.15	£5,473.70	£5,517.25	£5,517.25	£5,517.25	£5,517.25	£5,517.25
8	£0.00	£2,703.83	£5,407.66	£5,462.46	£5,517.25	£5,517.25	£5,517.25	£5,517.25	£5,517.25
9	£0.00	£2,690.39	£5,380.77	£5,449.01	£5,517.25	£5,517.25	£5,517.25	£5,517.25	£5,517.25
10	£0.00	£2,674.73	£5,349.45	£5,433.35	£5,517.25	£5,517.25	£5,517.25	£5,517.25	£5,517.25
11	£0.00	£2,656.42	£5,312.83	£5,415.04	£5,517.25	£5,517.25	£5,517.25	£5,517.25	£5,517.25
12	£0.00	£2,635.05	£5,270.10	£5,393.68	£5,517.25	£5,517.25	£5,517.25	£5,517.25	£5,517.25
13	£0.00	£2,610.40	£5,220.80	£5,369.02	£5,517.25	£5,517.25	£5,517.25	£5,517.25	£5,517.25
14	£0.00	£2,582.42	£5,164.84	£5,341.04	£5,517.25	£5,517.25	£5,517.25	£5,517.25	£5,517.25
15	£0.00	£2,551.24	£5,102.48	£5,309.86	£5,517.25	£5,517.25	£5,517.25	£5,517.25	£5,517.25
16	£0.00	£2,517.01	£5,034.01	£5,275.63	£5,517.25	£5,517.25	£5,517.25	£5,517.25	£5,517.25

## Example 2 - one loan and have made voluntary and/or mandatory partial repayments

- You've taken out a lifestyle flexible option product for £30,000 and have only the one loan.
- You have made voluntary partial repayments. You should use the early repayment charge table we sent you with your most recent voluntary partial repayment to find out what the early repayment charge will be. This is because we use the loan amount to calculate the early repayment charge and by making voluntary partial repayments, this will reduce the loan amount used to calculate the early repayment charge.

### Step 1 - Check the completion date, gilt name and the gilt yield

- Completion date is: **21/09/2020**
- Gilt name is: **UKT 3.25 01/44**
- Gilt yield is: **0.72%**

### Lifetime Mortgage – release of funds

I am pleased to tell you that your loan has been advanced.

The cash payment was paid to our legal adviser's account **21st September 2020**.

You don't need to make any repayments for the remainder of this lifetime mortgage. This is because the total amount you owe is only paid back when you die or leave your home to go into long-term care.

You can make partial repayments if you want to. The maximum amount you can repay each year is 10% of the total amount you've borrowed and you can make as many repayments as you like. Each repayment must be a minimum of £50 each.

### Rates specific to your loan

The interest rate of 2.41% per annum compound will be calculated on the total amount borrowed of £30,000.00.

The redemption, yield for the **UKT 3.25 01/44** gilt on the date your loan was advanced was **0.72%**.

For further details, please refer to the Lifetime Mortgage terms and conditions booklet sent to you previously.

### Your agreed reserve

Your agreed reserve amount is £40,000.00.



## Step 2 - Find your Early repayment charge table

- As you've made voluntary partial repayments (VPRs), you need the early repayment charge table we sent you following your most recent repayment, as it will show a lower loan amount.
- Before you made VPRs the loan amount used to calculate your early repayment charge was £30,0000 (as shown on your completion letter) meaning the maximum early repayment charge you could pay was £7,500.
- As you've made VPRs, the amount used to calculate your early repayment charge is £29,503.04 and the maximum early repayment charge would be £7375.76.

### Early repayment charge table

This table shows the early repayment charge you will have to pay at various times throughout your lifetime mortgage, if the redemption yield has fallen. The early repayment charge will never be more than the amount shown in the "Maximum Charge" column.

#### Lifestyle Flexible Option

Joint Borrower age 65 to 69 - Reference gilt: UKT 3.25 01/44

Lifetime mortgage number :

Loan amount : **£29,503.04**

You repay your loan in year	Change in gilt yield									
	No change or rise	0.5% fall	1.0% fall	1.5% fall	2.0% fall	2.5% fall	3.0% fall	3.5% fall	4.0% fall	Maximum charge
1	£0.00	£3,687.88	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76
2	£0.00	£3,687.88	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76
3	£0.00	£3,687.88	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76
4	£0.00	£3,687.88	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76
5	£0.00	£3,687.88	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76
6	£0.00	£3,687.88	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76
7	£0.00	£3,687.88	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76
8	£0.00	£3,687.88	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76
9	£0.00	£3,687.88	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76
10	£0.00	£3,687.88	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76
11	£0.00	£3,687.88	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76
12	£0.00	£3,687.88	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76
13	£0.00	£3,687.88	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76
14	£0.00	£3,687.88	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76
15	£0.00	£3,687.88	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76
16	£0.00	£3,641.18	£7,282.37	£7,329.06	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76
17	£0.00	£3,579.63	£7,159.26	£7,267.51	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76
18	£0.00	£3,512.96	£7,025.92	£7,200.84	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76
19	£0.00	£3,441.41	£6,882.82	£7,129.29	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76
20	£0.00	£3,365.30	£6,730.59	£7,053.18	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76
21	£0.00	£3,285.10	£6,570.19	£6,972.98	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76
22	£0.00	£3,201.45	£6,402.89	£6,889.33	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76	£7,375.76

### Step 3 - Find out today's gilt yield for your gilt

Once registered on Tradeweb, you can find out the gilt yield for your gilt (**UKT 3.25 01/44**) today.

We use the figure from close of business the previous working day e.g. if repaying on 23<sup>rd</sup> Feb, we use the yield at close of business on 22/02/2021 **1.2142%**

Gilt Name	Close of Business Date	ISIN	Type	Coupon	Maturity	Clean Price	Dirty Price	Yield	Mod Duration	Accrued Interest
Type: Conventional (... group continued from the previous page. Showing 22 of 52 items.)										
UKT 4.75 12/38	22/02/2021	GB00B00NY175	Conventional	4.750	07/12/2038	159.520	160.537857	1.066947	13.336179	1.017857
UKT 4.25 09/39	22/02/2021	GB00B3KJDS62	Conventional	4.250	07/09/2039	152.620	154.604116	1.102897	13.929938	1.984116
UKT 4.25 12/40	22/02/2021	GB00B6460505	Conventional	4.250	07/12/2040	154.900	155.810714	1.142024	14.761798	0.910714
UKT 1.25 10/41	22/02/2021	GB00BJQWYH73	Conventional	1.250	22/10/2041	100.950	101.375824	1.197932	18.100487	0.425824
UKT 4.5 12/42	22/02/2021	GB00B1VWPJ53	Conventional	4.500	07/12/2042	163.590	164.554286	1.180915	15.746264	0.964286
UKT 3.25 01/44	22/02/2021	GB00B84Z9V04	Conventional	3.250	22/01/2044	140.610	140.897293	1.214200	17.360596	0.287293
UKT 3.5 01/45	22/02/2021	GB00BN65R313	Conventional	3.500	22/01/2045	147.090	147.399392	1.222749	17.721199	0.309392
UKT 0.875 01/46	22/02/2021	GB00BNNGP775	Conventional	0.875	31/01/2046	91.970	92.051749	1.250830	22.163699	0.081749
UKT 4.25 12/46	22/02/2021	GB00B128DP45	Conventional	4.250	07/12/2046	166.540	167.450714	1.230547	18.084297	0.910714
UKT 1.5 07/47	22/02/2021	GB00BDCHBW80	Conventional	1.500	22/07/2047	105.800	105.932597	1.241734	21.894446	0.132597
UKT 1.75 01/49	22/02/2021	GB00BFWFPP71	Conventional	1.750	22/01/2049	112.020	112.174696	1.239254	22.408593	0.154696

### Step 4 - Work out the change in gilt yield

Work out the change in gilt yield between the date your loan was completed (Step 1) and today's date (Step 3)



### Step 5 - Calculate the early repayment charge

- As the gilt yield has gone up since the completion day, there is no early repayment charge today.

**NOTE** - Gilt yields can change daily as they are affected by market conditions external to Aviva. They can rise and fall, which has a direct impact on any early repayment charge you may have to pay.

## Example 3 - more than one loan

- You've taken out a lifestyle flexible option product:
  - Main loan of £108,078
  - Additional Borrowing of £10,504
  - Reserve Release of £20,000
- Each loan has its own early repayment charge calculation, so you will need the completion letters and early repayment charge tables for each loan

### Step 1 - Check the completion date, gilt name and the gilt yield

#### Main Loan

- Completion date is: **07/06/2018**
- Gilt name is: **4.75% Treasury 2038**
- Gilt yield is: **1.80%**

#### Additional Borrowing

- Completion date is: **15/10/2018**
- Gilt name is: **4.5% Treasury 2034**
- Gilt yield is: **1.90%**

#### Reserve Release

- Completion date is: **20/11/2020**
- Gilt name is: **UKT 4.25 03/36**
- Gilt yield is: **0.65%**

### Main loan

#### Lifetime Mortgage – release of funds

I am pleased to tell you that your loan has been advanced.

The cash payment was paid to our legal adviser's account on 7th June 2018.

You don't need to make any repayments for the remainder of this lifetime mortgage. This is because the total amount you owe is only paid back when you die or leave your home to go into long-term care.

Once you've had your lifetime mortgage for one year you can make partial repayments if you want to. The maximum amount you can repay each year is 10% of the initial amount you borrowed. You can repay in up to 4 instalments each year but these must be a minimum amount of £500 each.

#### Rates specific to your loan

The interest rate of 3.74% per annum compound will be calculated on the total amount borrowed of £108,078.00.

The redemption yield for the 4.75% Treasury 2038 gilt on the date your loan was advanced was 1.80%.

For further details, please refer to the Lifetime Mortgage terms and conditions booklet sent to you previously.

## Additional Borrowing

15th October 2018

Dear Mr and Mrs Gibson

### Additional Borrowing – Completion

I am pleased to tell you that your additional borrowing has been issued.

#### Rates specific to your additional borrowing

The interest rate of 5.12% per annum compound will be calculated on your additional borrowing amount of 10,504.00.

The redemption yield for the 4.5% Treasury 2034 gilt on the date your additional borrowing was advanced was 1.90%.

For further details, please refer to your additional borrowing offer document sent to you previously.

You will not make any monthly repayments during the life of this additional borrowing. The total amount you owe including the interest and charges must be repaid when you have left your home if you have died or need long term care.

#### Your agreed reserve

Your agreed reserve is now £20000.00.

## Reserve Release

20th November 2020

Dear Mr and Mrs Gibson

### Lifetime Mortgage

I am pleased to tell you that your reserve release has been issued today.

The cash payment will be paid to your nominated bank account within the next 5 working days.

You will not make any monthly repayments during the life of this lifetime mortgage. The total amount you owe including the interest and charges must be repaid when you have left your home because you have died or need long term care.

Please find enclosed a Gilt table for this release. The Gilt table details what early repayment charges may be applicable, if you decide to repay your lifetime mortgage early.

#### Rates specific to this release

The interest rate of 3.3900% per annum compound will be calculated on this release of £20,000.00.

The redemption yield for the UKT 4.25 03/36 gilt on the date this release was issued was 0.65%.

For further details, please refer to your Lifetime Mortgage terms and conditions booklet.

#### Your agreed reserve

Your agreed reserve amount is now £0.00.

## Step 2 - Find your Early repayment charge table for each loan

### Early repayment charge table

This table shows the early repayment charge you will have to pay at various times throughout your lifetime mortgage, if the redemption yield has fallen. The early repayment charge will never be more than the amount shown in the "Maximum Charge" column.

#### Lifestyle Flexible Option

Joint borrower age 70 to 74 - Reference gilt : 4.75% Treasury 2038

Lifetime mortgage number : **LF69649307**

Loan amount : **£108,078.00**

You repay your loan in year	Change in gilt yield									Maximum charge
	No change or rise	0.5% fall	1.0% fall	1.5% fall	2.0% fall	2.5% fall	3.0% fall	3.5% fall	4.0% fall	
1	£0.00	£11,646.49	£23,292.97	£25,156.24	£27,019.50	£27,019.50	£27,019.50	£27,019.50	£27,019.50	£27,019.50
2	£0.00	£11,743.89	£23,487.77	£25,253.64	£27,019.50	£27,019.50	£27,019.50	£27,019.50	£27,019.50	£27,019.50
3	£0.00	£11,828.21	£23,656.42	£25,337.96	£27,019.50	£27,019.50	£27,019.50	£27,019.50	£27,019.50	£27,019.50
4	£0.00	£11,898.73	£23,797.46	£25,408.48	£27,019.50	£27,019.50	£27,019.50	£27,019.50	£27,019.50	£27,019.50
5	£0.00	£11,954.86	£23,909.73	£25,464.61	£27,019.50	£27,019.50	£27,019.50	£27,019.50	£27,019.50	£27,019.50
6	£0.00	£11,996.12	£23,992.24	£25,505.87	£27,019.50	£27,019.50	£27,019.50	£27,019.50	£27,019.50	£27,019.50
7	£0.00	£12,022.16	£23,044.34	£25,531.91	£27,019.50	£27,019.50	£27,019.50	£27,019.50	£27,019.50	£27,019.50

### Early repayment charge table

This table shows the early repayment charge you will have to pay at various times throughout your lifetime mortgage, if the redemption yield has fallen. The early repayment charge will never be more than the amount shown in the "Maximum Charge" column.

#### Lifestyle Flexible Option

4.50% Treasury 2034

Lifetime mortgage number :

Loan amount : **£10,504.00**

You repay your loan in year	Change in gilt yield									Maximum charge
	No change or rise	0.5% fall	1.0% fall	1.5% fall	2.0% fall	2.5% fall	3.0% fall	3.5% fall	4.0% fall	
1	£0.00	£871.59	£1,743.18	£2,184.59	£2,626.00	£2,626.00	£2,626.00	£2,626.00	£2,626.00	£2,626.00
2	£0.00	£872.81	£1,745.62	£2,185.81	£2,626.00	£2,626.00	£2,626.00	£2,626.00	£2,626.00	£2,626.00
3	£0.00	£872.86	£1,745.72	£2,185.86	£2,626.00	£2,626.00	£2,626.00	£2,626.00	£2,626.00	£2,626.00
4	£0.00	£871.74	£1,743.47	£2,184.74	£2,626.00	£2,626.00	£2,626.00	£2,626.00	£2,626.00	£2,626.00
5	£0.00	£869.46	£1,738.92	£2,182.46	£2,626.00	£2,626.00	£2,626.00	£2,626.00	£2,626.00	£2,626.00
6	£0.00	£866.08	£1,732.15	£2,179.08	£2,626.00	£2,626.00	£2,626.00	£2,626.00	£2,626.00	£2,626.00
7	£0.00	£861.71	£1,723.42	£2,174.71	£2,626.00	£2,626.00	£2,626.00	£2,626.00	£2,626.00	£2,626.00

## Early repayment charge table

This table shows the early repayment charge you will have to pay at various times throughout your lifetime mortgage, if the redemption yield has fallen. The early repayment charge will never be more than the amount shown in the "Maximum Charge" column.

### Lifestyle Flexible Option

Joint borrower age 75 to 79 - Reference gilt : UKT 4.25 03/36

Lifetime mortgage number :

Loan amount : **£20,000.00**

You repay your loan in year	Change in gilt yield									
	No change or rise	0.5% fall	1.0% fall	1.5% fall	2.0% fall	2.5% fall	3.0% fall	3.5% fall	4.0% fall	Maximum charge
1	£0.00	£1,645.32	£3,290.64	£4,145.32	£5,000.00	£5,000.00	£5,000.00	£5,000.00	£5,000.00	£5,000.00
2	£0.00	£1,618.74	£3,237.48	£4,118.74	£5,000.00	£5,000.00	£5,000.00	£5,000.00	£5,000.00	£5,000.00
3	£0.00	£1,590.20	£3,180.41	£4,090.20	£5,000.00	£5,000.00	£5,000.00	£5,000.00	£5,000.00	£5,000.00
4	£0.00	£1,559.78	£3,119.56	£4,059.78	£5,000.00	£5,000.00	£5,000.00	£5,000.00	£5,000.00	£5,000.00
5	£0.00	£1,527.53	£3,055.05	£4,027.53	£5,000.00	£5,000.00	£5,000.00	£5,000.00	£5,000.00	£5,000.00
6	£0.00	£1,493.56	£2,987.12	£3,993.56	£5,000.00	£5,000.00	£5,000.00	£5,000.00	£5,000.00	£5,000.00
7	£0.00	£1,458.11	£2,916.21	£3,958.11	£5,000.00	£5,000.00	£5,000.00	£5,000.00	£5,000.00	£5,000.00

## Step 3 - Find out today's gilt yield for your gilt

Once registered on Tradeweb, you can find out the gilt yield for your gilts on each of your loans today.

We use the figure from close of business the previous working day e.g. if repaying on 23<sup>rd</sup> Feb, we use the yield at close of business on 22/02/2021

Main loan = UKT 4.75 12/38 = **1.066947%**

Additional Borrowing = UKT 4.5 09/34 = **0.925415%**

Reserve Release = UKT 4.25 03/36 = **1.005627%**

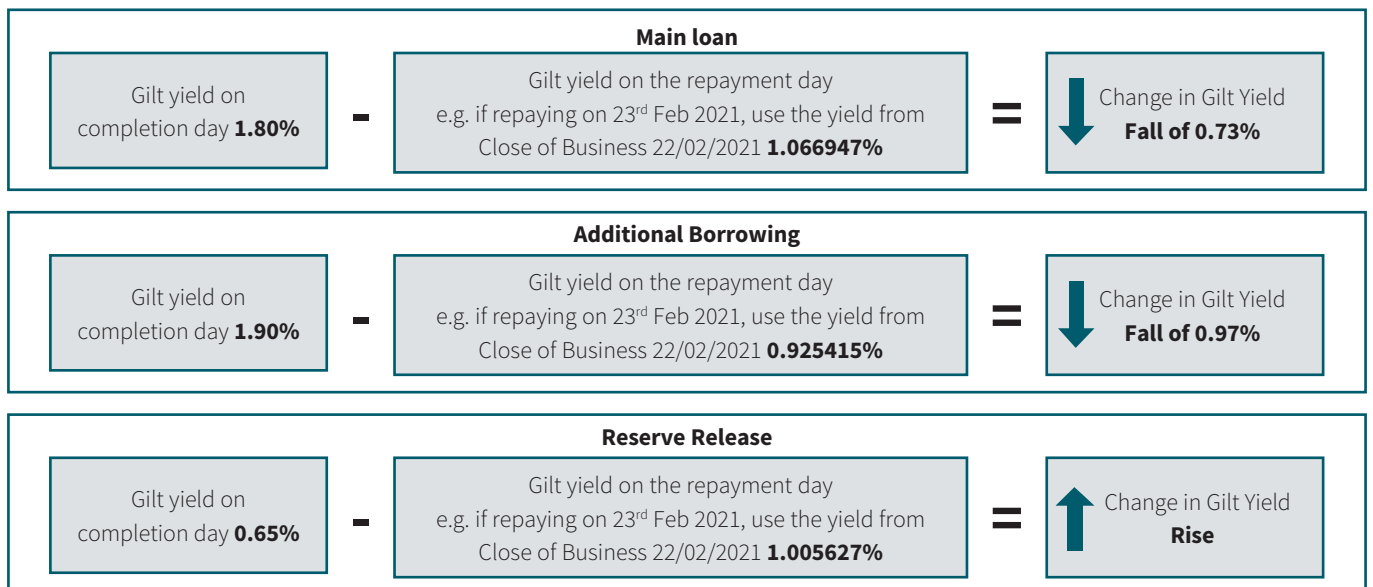
Gilt Name	Close of Business Date	ISIN	Type	Coupon	Maturity	Clean Price	Dirty Price	Yield	Mod Duration	Accrued Interest
Type: Conventional (... group continued from the previous page. Showing 22 of 52 items.)										
<b>UKT 4.75 12/38</b>	<b>22/02/2021</b>	<b>GB00B00NY175</b>	<b>Conventional</b>	<b>4.750</b>	<b>07/12/2038</b>	<b>159.520</b>	<b>160.537857</b>	<b>1.066947</b>	<b>13.336179</b>	<b>1.017857</b>
UKT 4.25 09/39	22/02/2021	GB00B3KJDS62	Conventional	4.250	07/09/2039	152.620	154.604116	1.102897	13.929938	1.984116
UKT 4.25 12/40	22/02/2021	GB00B6460505	Conventional	4.250	07/12/2040	154.900	155.810714	1.142024	14.761798	0.910714
UKT 1.25 10/41	22/02/2021	GB00BJQWYH73	Conventional	1.250	22/10/2041	100.950	101.375824	1.197932	18.100487	0.425824
UKT 4.5 12/42	22/02/2021	GB00B1VWPJ53	Conventional	4.500	07/12/2042	163.590	164.554286	1.180915	15.746264	0.964286

UKT 0.125 01/28	22/02/2021	GB00BMBLIG81	Conventional	0.125	31/01/2028	97.665	97.672942	0.467507	6.891568	0.007942
UKT 1.625 10/28	22/02/2021	GB00BFX0ZL78	Conventional	1.625	22/10/2028	108.449	109.002571	0.499271	7.199637	0.553571
UKT 6 12/28	22/02/2021	GB0002404191	Conventional	6.000	07/12/2028	141.639	142.924714	0.532907	6.526295	1.285714
UKT 0.875 10/29	22/02/2021	GB00BJMHBS34	Conventional	0.875	22/10/2029	102.167	102.465077	0.617595	8.312653	0.298077
UKT 0.375 10/30	22/02/2021	GB00BL68HH02	Conventional	0.375	22/10/2030	96.924	97.051747	0.704967	9.446519	0.127747
UKT 4.75 12/30	22/02/2021	GB00B24FF097	Conventional	4.750	07/12/2030	138.496	139.513857	0.677496	8.176149	1.017857
UKT 0.25 07/31	22/02/2021	GB00BMGR2809	Conventional	0.250	31/07/2031	94.680	94.695884	0.781823	10.261568	0.015884
UKT 4.25 06/32	22/02/2021	GB0004893086	Conventional	4.250	07/06/2032	137.120	138.030714	0.802923	9.358428	0.910714
<b>UKT 4.5 09/34</b>	<b>22/02/2021</b>	<b>GB00B52WS153</b>	<b>Conventional</b>	<b>4.500</b>	<b>07/09/2034</b>	<b>145.370</b>	<b>147.470829</b>	<b>0.925415</b>	<b>10.712671</b>	<b>2.100829</b>
UKT 0.625 07/35	22/02/2021	GB00BMGR2916	Conventional	0.625	31/07/2035	94.450	94.489710	1.040016	13.726844	0.039710
UKT 4.25 03/36	22/02/2021	GB0032452392	Conventional	4.250	07/03/2036	145.160	147.144116	1.005627	11.774182	1.984116
UKT 1.75 09/37	22/02/2021	GB00BZB26Y51	Conventional	1.750	07/09/2037	109.880	110.696989	1.095046	14.361596	0.816989

UKT 0.125 01/28	22/02/2021	<a href="#">GB00BMBL1G81</a>	Conventional	0.125	31/01/2028	97.665	97.672942	0.467507	6.891568	0.007942
UKT 1.625 10/28	22/02/2021	<a href="#">GB00BFXOZL78</a>	Conventional	1.625	22/10/2028	108.449	109.002571	0.499271	7.199637	0.553571
UKT 6 12/28	22/02/2021	<a href="#">GB0002404191</a>	Conventional	6.000	07/12/2028	141.639	142.924714	0.532907	6.526295	1.285714
UKT 0.875 10/29	22/02/2021	<a href="#">GB00BJMHB534</a>	Conventional	0.875	22/10/2029	102.167	102.465077	0.617595,	8.312653	0.298077
UKT 0.375 10/30	22/02/2021	<a href="#">GB00BL68HH02</a>	Conventional	0.375	22/10/2030	96.924	97.051747	0.704967	9.446519	0.127747
UKT 4.75 12/30	22/02/2021	<a href="#">GB00B24FF097</a>	Conventional	4.750	07/12/2030	138.496	139.513857	0.677496	8.176149	1.017857
UKT 0.25 07/31	22/02/2021	<a href="#">GB00BMGR2809</a>	Conventional	0.250	31/07/2031	94.680	94.695884	0.781823	10.261568	0.015884
UKT 4.25 06/32	22/02/2021	<a href="#">GB0004893086</a>	Conventional	4.250	07/06/2032	137.120	138.030714	0.802923	9.358428	0.910714
UKT 4.5 09/34	22/02/2021	<a href="#">GB00B52WS153</a>	Conventional	4.500	07/09/2034	145.370	147.470829	0.925415	10.712671	2.100829
UKT 0.625 07/35	22/02/2021	<a href="#">GB00BMGR2916</a>	Conventional	0.625	31/07/2035	94.450	94.489710	1.040016	13.726844	0.039710
<b>UKT 4.25 03/36</b>	<b>22/02/2021</b>	<b><a href="#">GB0032452392</a></b>	<b>Conventional</b>	<b>4.250</b>	<b>07/03/2036</b>	<b>145.160</b>	<b>147.144116</b>	<b>1.005627</b>	<b>11.774182</b>	<b>1.984116</b>
UKT 1.75 09/37	22/02/2021	<a href="#">GB00BZB26Y51</a>	Conventional	1.750	07/09/2037	109.880	110.696989	1.095046	14.361596	0.816989

#### Step 4 - Work out the change in gilt yield

Work out the change in gilt yield between the dates your loans were advanced to completed (Step 1) and today's date (Step 3)



### Step 5 - Calculate the early repayment charge

Use the Early repayment charge table for each loan to find out what the early repayment charge amount will be. Round your gilt yield fall to the nearest 0.25%.

#### Main Loan

The **yield fall is 0.73%**, so rounding this to the nearest 0.25%, takes you to a **0.75% fall** (0.73 is nearer to 0.75 than 0.50).

If repaying on 23<sup>rd</sup> Feb 2021 – you are repaying in **Year 3** (07/06/2018 to 06/06/2020 = 2 complete years, so now you are in year 3).

There is not a 0.75% column on the early repayment charge table, so you need to add together the amount in the 0.5% fall column and the amount in the 1.0% fall column and divide by 2.

**The early repayment charge for the main loan = £17,742.32**

$[(£11,828.21 + 23,656.42)/2]$

#### Additional Borrowing

The **yield fall is 0.97%**, so rounding this to the nearest 0.25%, takes you to a 1.0% fall (0.97 is nearer to 1.0 than 0.75).

If repaying on 23<sup>rd</sup> Feb 2021 – you are repaying in **Year 3**

**The early repayment charge for the additional borrowing = £1,745.72**

#### Reserve Release

As the gilt yield has gone up since the completion day, there is no early repayment charge.

### Main loan

#### Early repayment charge table

This table shows the early repayment charge you will have to pay at various times throughout your lifetime mortgage, if the redemption yield has fallen. The early repayment charge will never be more than the amount shown in the "Maximum Charge" column.

#### Lifestyle Flexible Option

Joint borrower age 70 to 74 - Reference gilt : 4.75% Treasury 2038

Lifetime mortgage number :

Loan amount : **£108,078.00**

You repay your loan in year	Change in gilt yield									
	No change or rise	0.5% fall	1.0% fall	1.5% fall	2.0% fall	2.5% fall	3.0% fall	3.5% fall	4.0% fall	Maximum charge
1	£0.00	£11,646.49	£23,292.97	£25,156.24	£27,019.50	£27,019.50	£27,019.50	£27,019.50	£27,019.50	£27,019.50
2	£0.00	£11,743.89	£23,487.77	£25,253.64	£27,019.50	£27,019.50	£27,019.50	£27,019.50	£27,019.50	£27,019.50
3	£0.00	£11,828.21	£23,656.42	£25,337.96	£27,019.50	£27,019.50	£27,019.50	£27,019.50	£27,019.50	£27,019.50
4	£0.00	£11,898.73	£23,797.46	£25,408.48	£27,019.50	£27,019.50	£27,019.50	£27,019.50	£27,019.50	£27,019.50
5	£0.00	£11,954.86	£23,909.73	£25,464.61	£27,019.50	£27,019.50	£27,019.50	£27,019.50	£27,019.50	£27,019.50
6	£0.00	£11,996.12	£23,992.24	£25,505.87	£27,019.50	£27,019.50	£27,019.50	£27,019.50	£27,019.50	£27,019.50
7	£0.00	£12,022.16	£23,044.34	£25,531.91	£27,019.50	£27,019.50	£27,019.50	£27,019.50	£27,019.50	£27,019.50



## Additional Borrowing

### Early repayment charge table

This table shows the early repayment charge you will have to pay at various times throughout your lifetime mortgage, if the redemption yield has fallen. The early repayment charge will never be more than the amount shown in the "Maximum Charge" column.

#### Lifestyle Flexible Option

4.50% Treasury 2034

Lifetime mortgage number :

Loan amount : **£10,504.00**

You repay your loan in year	Change in gilt yield									Maximum charge
	No change or rise	0.5% fall	1.0% fall	1.5% fall	2.0% fall	2.5% fall	3.0% fall	3.5% fall	4.0% fall	
1	£0.00	£871.59	£1,743.18	£2,184.59	£2,626.00	£2,626.00	£2,626.00	£2,626.00	£2,626.00	£2,626.00
2	£0.00	£872.81	£1,745.62	£2,185.81	£2,626.00	£2,626.00	£2,626.00	£2,626.00	£2,626.00	£2,626.00
3	£0.00	£872.86	£1,745.72	£2,185.86	£2,626.00	£2,626.00	£2,626.00	£2,626.00	£2,626.00	£2,626.00
4	£0.00	£871.74	£1,743.47	£2,184.74	£2,626.00	£2,626.00	£2,626.00	£2,626.00	£2,626.00	£2,626.00
5	£0.00	£869.46	£1,738.92	£2,182.46	£2,626.00	£2,626.00	£2,626.00	£2,626.00	£2,626.00	£2,626.00
6	£0.00	£866.08	£1,732.15	£2,179.08	£2,626.00	£2,626.00	£2,626.00	£2,626.00	£2,626.00	£2,626.00
7	£0.00	£861.71	£1,723.42	£2,174.71	£2,626.00	£2,626.00	£2,626.00	£2,626.00	£2,626.00	£2,626.00

Total early repayment charge if the lifetime mortgage was to be repaid on 23<sup>rd</sup> February 2021:

**£17,742.32** (early repayment charge for the main loan) + **£1,745.72** (early repayment charge for the additional borrowing) + **£0.00** (early repayment charge for the reserve release) **Total = £19,488.04**

## FAQs

### I can't find my completion letter, where can I find the information I need to work out my early repayment charge?

You can give us a call on **0800 158 4177** and we'll be able to send you a copy of your completion letter and we can also tell you the information you need over the phone.

### I've moved home and moved my lifetime mortgage to my new home, what documents would I need, to be able to find the information to work out if an early repayment charge applies to me?

#### To find the gilt name and gilt yield on the completion day

When you moved and transferred your lifetime mortgage to your new property, you kept the same gilt name and the gilt yield at completion from when you first took your lifetime mortgage, or any further borrowing (if this applies to you).

This information will be on the completion letters we sent you when you first took your lifetime mortgage, or further borrowing.

#### Early repayment charge table

If you moved to a property of lower value, you may have had to make a 'mandatory partial repayment'. Therefore, you need to use the early repayment charge table we sent you with the moving property offer.

If you're able to make voluntary partial repayments (VPRs) and you've made repayments, you need to use the early repayment charge table sent to you when you made the VPR.

### The Early repayment charge table I received with my offer has percentages and not amounts, how should I calculate my early repayment charge?

You will need your completion letter and in addition to the information that you obtained in Step 1, you will also need to know your **loan amount**. This is the amount you initially borrowed from us when you took your lifetime mortgage.

Once you know how much the gilt yield has fallen by and how many years you've had your lifetime mortgage, you can find the relevant percentage in the Early Repayment Charge table and multiple this percentage by the loan amount.

#### Flexible Cash Release Plan – release of funds

I am pleased to inform you that your loan has been advanced.

The cash payment was paid to our legal adviser's account on **8th April 2004**.

#### Rates specific to your loan

The interest rate of 7.29% per annum compound will be calculated on the total amount borrowed of **£16,500.00**.

The redemption yield for the **4.25% Treasury 2032** gilt on the date your loan was advanced was **4.72%**.

Please refer to the loan agreement and Personalised Illustration of the Flexible Cash Release Plan sent previously for full details.

If you were repaying today e.g. 23<sup>rd</sup> February 2021 and you took your loan 8<sup>th</sup> April 2004, you've had your loan for **16 complete years**. Find '16' on the early repayment charge table in the column titled 'Complete Years from Loan Commencement'

The gilt yield at close of business on 22<sup>nd</sup> February 2021 was 0.80%. This is a fall of 3.92% (4.72% on completion day – 0.80% today), so we use the **4% fall** column (as 3.92% is nearer to 4% than 3.75%).

Find the 4% column on the early repayment charge table.

## Early Repayment Charge table

### Repayment Fees as % of Loan

Joint Borrowers age 70-74 - Reference Git: 4.25% Treasury 2032

Complete Years from Loan Commencement	Change in gilt yield								
	No change or rise	0.5% fall	1.0% fall	1.5% fall	2.0% fall	2.5% fall	3.0% fall	3.5% fall	4.0% fall
0	0.0%	7.9%	15.8%	25.3%	34.8%	46.2%	57.6%	71.4%	85.8%
1	0.0%	8.0%	15.9%	25.4%	34.9%	46.3%	57.6%	71.2%	84.8%
2	0.0%	8.0%	16.0%	25.5%	35.0%	46.2%	57.5%	70.9%	84.8%
3	0.0%	8.1%	16.1%	25.6%	35.0%	46.2%	57.3%	70.5%	83.7%
4	0.0%	8.1%	16.2%	25.6%	35.0%	46.0%	57.1%	70.0%	83.0%
5	0.0%	8.1%	16.2%	25.6%	34.9%	45.8%	56.7%	69.4%	82.2%
6	0.0%	8.1%	16.2%	25.5%	34.8%	45.6%	56.3%	68.8%	81.8%
7	0.0%	8.1%	16.2%	25.4%	34.6%	45.2%	55.9%	68.1%	80.8%
8	0.0%	8.1%	16.1%	25.3%	34.4%	44.9%	55.3%	67.3%	79.2%
9	0.0%	8.0%	16.0%	25.1%	34.2%	44.4%	54.7%	66.4%	78.1%
10	0.0%	8.0%	15.9%	24.9%	33.9%	43.9%	54.0%	65.5%	76.9%
11	0.0%	7.9%	15.8%	24.7%	33.5%	43.4%	53.3%	64.5%	75.6%
12	0.0%	7.8%	15.7%	24.4%	33.1%	42.8%	52.6%	63.4%	74.8%
13	0.0%	7.8%	15.5%	24.1%	32.7%	42.3%	51.8%	62.4%	72.9%
14	0.0%	7.7%	15.4%	23.8%	32.3%	41.6%	51.0%	61.3%	71.6%
15	0.0%	7.6%	15.2%	23.5%	31.9%	41.0%	50.1%	60.2%	70.3%
16	0.0%	7.5%	15.0%	23.2%	31.4%	40.4%	49.3%	59.1%	68.9%
17	0.0%	7.4%	14.9%	22.9%	31.0%	39.8%	48.5%	58.1%	67.6%
18	0.0%	7.3%	14.7%	22.6%	30.6%	39.2%	47.8%	57.1%	66.4%
19	0.0%	7.3%	14.5%	22.4%	30.2%	38.6%	47.0%	56.1%	65.2%
20	0.0%	7.2%	14.4%	22.1%	29.8%	38.0%	46.3%	55.2%	64.1%
21	0.0%	7.1%	14.2%	21.7%	29.3%	37.4%	45.5%	54.2%	62.9%
22	0.0%	7.0%	14.0%	21.4%	28.9%	36.8%	44.8%	53.2%	61.7%
23	0.0%	6.9%	13.8%	21.1%	28.4%	36.2%	44.0%	52.3%	60.5%
24	0.0%	6.8%	13.6%	20.8%	28.0%	35.6%	43.2%	51.3%	59.3%
25	0.0%	6.7%	13.4%	20.4%	27.5%	35.0%	42.4%	50.3%	58.2%
26	0.0%	6.6%	13.2%	20.1%	27.0%	34.3%	41.6%	49.3%	57.0%
27	0.0%	6.5%	13.0%	19.8%	26.6%	33.7%	40.8%	48.3%	55.8%
28	0.0%	6.4%	12.7%	19.4%	26.1%	33.1%	40.1%	47.4%	54.7%

The fall in gilt yields will be calculated to the nearest 0.25%. The fee for a fall not shown in this table will be the mid-point between the next highest and the next lowest fall shown.

This means your early repayment charge will be 68.9% x your initial loan amount:

$$\pounds 16,500 \times 68.9\% = \pounds 11,368.50$$

## How do I find out when I will no longer be charged an early repayment charge?

Once the gilt that's been assigned to your lifetime mortgage has expired, you won't have to pay an early repayment charge. There are a few places where you can find the date the gilt expires:

- You can give us a call on **0800 158 4177** and we'll be able to tell you this.
- You can register for MyAviva to see this information clearly displayed for you in the 'Early repayment' tab. Click on the heading – How much will it cost to repay my loan early?
- You can find this in your annual statement, which is also available to view in MyAviva by clicking on the 'Documents' tab.
- You can find this in Section 13 of your offer document, which we sent you when you took your lifetime mortgage.
- This is also detailed on the Tradeweb website in the 'Maturity' column.

If you have borrowed more money from us, the expiry dates for an early repayment charge could be different for your different loans.

Plan details	Voluntary repayments	Early repayment	Documents
When does my lifetime mortgage need to be repaid?			
			Show (+)
What if the sale of my property doesn't cover the repayment?			
			Show (+)
Can I fully repay my lifetime mortgage early?			
			Show (+)
What are early repayment charges?			
			Show (+)
Can I make repayments?			
			Show (+)
How is the interest on my loan calculated?			
			Show (+)
How much will it cost to repay my loan early?			
			Show (+)

[How much will it cost to repay my loan early?](#) Hide (-)

Your loan doesn't need to be repaid until you die or move into long-term care. Find out more about repaying early by calling us on **0800 151 2553**.

Early repayment charges can change daily. The values shown are correct as of 08/02/2016. Any loan taken today won't show until the next working day.

**Total cost to repay early: £107,084.90**

The information below shows you any loans you have with us including the interest rate and the amount owed for each loan. You can find out more about how we calculate interest below. The values shown are correct as of 08/02/2016. Any loan taken today won't show until the next working day.

Type of loan	Date loan taken	Early repayment charge	Date early repayment charge no longer applies	Early repayment admin charge
Initial Loan	25/07/2014	£14,494.85	07/06/2032	£0.00
<b>Total</b>		<b>£14,494.85</b>		<b>£0.00</b>

## Annual Statement

Your Index-linked Lifetime Mortgage statement For 15 November 2021 to 14 November 2022
<b>About your loan</b>
<ul style="list-style-type: none"> <li>You took out your loan on 15 November 2004. The balance brought forward from the previous statement period is £147,919.13.</li> </ul>
<b>New interest charged</b>
<ul style="list-style-type: none"> <li>The effective interest rate for the statement period was 10.12%. The amount of interest at the minimum rate was £7,233.24 and the amount for the Retail Price Index increase was £7,735.16.</li> </ul>
<b>Early repayment charges</b>
<ul style="list-style-type: none"> <li>If your loan was repaid on 14 November 2022 there would be an early repayment charge of £9,900.00.</li> <li>We would also charge an administration fee of £50.00.</li> <li>The early repayment charge is linked to gilt yields, (gilts are UK government bonds). These can change daily and they can go up as well as down.</li> </ul> <p>If you'd like more information about how our early repayment charges work, we have a guide called 'Our variable individual gilt-based early repayment charges explained'. You can get a copy from your financial adviser, visit <a href="http://aviva.co.uk/adviser/documents/view/pf011231c.pdf">aviva.co.uk/adviser/documents/view/pf011231c.pdf</a>, or give us a call.</p>
<b>Charges and fees</b>
<p>The charges shown in this statement will only apply if you decide to pay back your Lifetime Mortgage early.</p> <p>Your total early repayment charge can change daily - going up, down or may even be zero. So, get in touch if you're thinking of paying it back.</p> <p>There won't be an early repayment charge:</p> <ul style="list-style-type: none"> <li>If the Lifetime Mortgage is repaid following your death, or you meet our long-term care criteria.</li> <li>after 26 January 2035 when this charge no longer applies.</li> </ul>

## Section 13 – Offer

**13. What happens if you do not want this mortgage any more?**

**Early repayment charges**

You can repay this lifetime mortgage at any time but if you do so you may have to pay an early repayment charge at the same time. We calculate this charge based on the movement in gilt redemption yields between the date the lifetime mortgage completed and the date you are quoted an early repayment charge. A gilt is a Government security and a number of different gilts are available. The specific gilt associated with your lifetime mortgage is chosen to reflect its expected term. You will incur an early repayment charge if the gilt yield is lower on the date you are quoted an early repayment charge than on the date the lifetime mortgage completed. Where we quote you an early repayment charge it will be valid for 3 working days, including the day the figure is quoted. This is explained more fully in your terms and conditions booklet.

The maximum charge you could pay is £27,020. The lower gilt yields fall, the higher your repayment costs will be.

**Cash examples of charges if you repay the mortgage early**

	This is the charge you could pay if gilt yields fall by 1%	This is the charge you could pay if gilt yields fall by 2%	This is the charge you could pay if gilt yields fall by 3%
<b>If you repay in year 1</b>	£23,292.97	£27,019.50	£27,019.50
<b>If you repay in year 11</b>	£23,941.61	£27,019.50	£27,019.50
<b>If you repay in year 21</b>	£21,913.21	£27,019.50	£27,019.50

You are able to move home and take your lifetime mortgage with you, subject to your new property meeting our lending criteria at the time. If the new property is not acceptable, you will have to repay the lifetime mortgage. You may also have to pay an early repayment charge. This is more fully explained in your terms and conditions booklet.

**Circumstances in which early repayment charges do not apply**

- You repay after 7 December 2038.
- You repay before this date and gilt yields have not fallen. This is explained further in your terms and conditions booklet.
- You have died or you have left your home because you need long-term care.
- You are moving property and transferring your lifetime mortgage to the new property.
- If you have a joint lifetime mortgage and you repay within three years of the date that one of you has died or the date that you notify us that one of you needs long-term care.

How we assess your need for long-term care is more fully explained in your terms and conditions booklet.

# Where to find more information

Three ways to find out more information about Equity Release options:

**1. Contact our support team on**

**0800 158 4177**

Monday to Friday 9am to 5pm

Closed bank holidays

**2. Visit [aviva.co.uk](https://www.aviva.co.uk)**

**3. Contact your financial adviser**

## Need this in a different format?

Please get in touch if you'd prefer this brochure (**PF011231**) in large font, braille or as audio.

## How to contact us

 0800 158 4177

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

 [aviva.co.uk](https://www.aviva.co.uk)

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