

# Our guide to equity release

With an Aviva Lifetime Mortgage

Call **0808 239 9212**  
or visit **[aviva.co.uk/-er](https://aviva.co.uk/-er)**





# What is equity release?

**Equity release is an option for those eligible, to release tax-free cash from the value of their home without having to move.**

The type of equity release we offer is called a lifetime mortgage.

## What is a lifetime mortgage?

A lifetime mortgage is a popular type of equity release.

- It's a long-term loan secured on your property
- The amount you can borrow can depend on different factors such as the current value, location and type of property, your age, health and lifestyle
- You can release a single cash lump sum or release a cash lump sum and set up a cash reserve to borrow from in the future depending on which lifetime mortgage your Adviser recommends for you
- Unlike a standard residential mortgage, you don't make monthly repayments. Instead, interest builds up through the life of the mortgage
- Interest is charged annually on the total amount borrowed and the interest already added. Because this quickly increases the amount you owe, it is important to only take a loan amount for what is needed at that moment in time

- 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 need long-term care, subject to our terms and conditions

Taking out a lifetime mortgage will reduce the amount of inheritance you can leave and may affect your tax position and eligibility for welfare benefits. It's important to consider the benefits, costs and risks before deciding whether equity release is right for you.

You should seek financial advice to see if this product is right for you.

Call **0808 239 9212**  
or visit **aviva.co.uk/-er**



# Are you eligible for an Aviva lifetime mortgage?

Many people aged 55 or older choose a lifetime mortgage to fund a happier, more comfortable lifestyle. However, you'll need to meet certain criteria.

### You could be eligible if:

- The youngest applicant is a UK homeowner aged 55 or older
- You are mortgage-free, or if you have a mortgage on your property, the remaining balance 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 not be unoccupied for more than six months at a time
- You want 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 the remaining lease length plus the age of the youngest borrower is at least 160 years. However, the remaining term on the lease must be 75 years or more regardless of the youngest borrower's age

### It might not be for you if:

- You have savings, investments or other money you could use first
- You'd 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 that is secured on your home
- You don't want to reduce the amount of inheritance you can leave
- You are looking for short term lending, as you could incur an early repayment charge if repaid voluntarily (See page 10)

### Things to consider:

#### • Future financial considerations.

If you have limited assets or are using your last available asset (your property) to secure this loan you may not have any other means to meet financial needs in later life or to maintain the standard of living and your property in accordance with the terms and conditions. Failure to maintain the property could result in the risk of repossession

#### • The cost of borrowing.

Interest is charged annually on the total amount borrowed and the interest already added. This quickly increases the amount that is owed reducing the available equity in the property for any future additional borrowing. With the interest quickly increasing the amount that is owed, you could find that what you owe is more than what your property is worth. This is called negative equity.

#### • Negative Equity.

Aviva lifetime mortgages have a No Negative Equity Guarantee which ensures that when the lifetime mortgage is repaid you, or your estate will never be asked to pay back more than the amount received from the sale of the property, even if the amount owed is higher.

This is providing that it is sold for the best price reasonably obtainable. Borrowing at a high interest rate significantly increases the risk of negative equity during your lifetime.

Consideration must be given to your future financial needs and the impact negative equity might have on your financial options and ability to maintain or raise income in later life. You may have limited options when it comes to wanting to move property, change of circumstances, obtaining additional borrowing and maintaining your property in accordance with terms and conditions. Failure to maintain the property could result in the risk of repossession or eviction.

An adviser will be able to help you decide whether a lifetime mortgage is right for you.

Call **0808 239 9212**  
or visit **aviva.co.uk/-er**



# How would you spend your tax-free cash?

An Aviva lifetime mortgage can pay for many different things.

Here are a few examples and percentages of how Aviva lifetime mortgage customers spent their cash in 2023:

**House prices increased by over 23% in the past five years\*** so the money released from your home could be more than you have in your pension or savings.

\* UK House Price Index (landregistry.dat.gov.uk) February 2019 – February 2024. Contains public sector information licensed under the Open Government Licence v3.0.



**Home improvements**

If you want a new kitchen or need to make your bathroom more accessible, you could have the budget to make it happen.



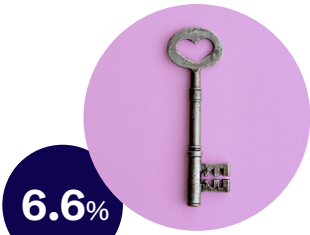
**Buying a car or holiday**

It's never too late to tick off those things you've always dreamed of doing, travelling round the world.



**Paying off an outstanding mortgage**

You could wave goodbye to monthly residential mortgage repayments and spend the money on hobbies or other ways to enjoy your retirement.



**Supporting friends and family**

Perhaps your child is buying their first home or are getting married,. You can contribute to their exciting milestones.

# Aviva lifetime mortgages

Aviva has two lifetime mortgages, the Lifestyle Flexible Option and the Lifestyle Max.

Both of the lifetime mortgages offer the same standard product features which you can read about on page 10.

**Lifestyle Flexible Option**

You can choose to take a one-off lump sum of £15,000 or more or receive an initial lump sum and set up a cash reserve to take money from in the future. A minimum initial loan amount of £10,000 applies and you must place a minimum of £5,000 in your cash reserve.

A fixed interest rate will apply to your initial loan amount for the lifetime of the mortgage.

If you choose a cash reserve facility, you won't pay interest on the cash reserve amount until it is released. We'll offer you the interest rate valid on the day you ask to take the money. This could be higher or lower than the interest rate charged on your initial loan amount.

You could also benefit from receiving a higher loan amount and/or a lower fixed interest rate depending on your health and lifestyle.

**Lifestyle Max**

You can take a one-off lump sum of £15,000 or more.

A fixed interest rate will apply to your initial loan amount for the lifetime of the mortgage.

The Lifestyle Max could offer a higher loan amount than the Lifestyle Flexible Option but is likely to have a higher interest rate.

**Your adviser will recommend which of our lifetime mortgages is right for you, considering your immediate and future financial needs.**

# Fixed interest rates

The interest rate you pay on a lifetime mortgage is based on your individual circumstances and is set out in your personalised illustration, which your Equity Release adviser will arrange for you. Because you don't have to make any repayments during the term of the mortgage, a higher interest rate than a standard mortgage is usually applied.

Interest is charged annually on the total amount borrowed and the interest already added. This quickly increases the amount that is owed reducing the available equity in the property for any future additional borrowing.

The following examples show the kind of interest rates and loan amounts someone may receive in the circumstances described. They're based on our rates as of 5 November 2024 but are only intended to provide a guide to the rates that might apply in particular cases.



## David & Lisa take £122,000 cash lump sum with an Aviva Lifestyle Max lifetime mortgage

David (65) and Lisa (62) live in Leeds and have a property valued at £360,000

They have an interest-only mortgage and don't have the money to repay the loan. Their bank won't allow them to extend the mortgage term without evidencing how they will repay the capital.

David and Lisa have considered switching to another mortgage lender, but this would mean an increase in monthly repayments which won't be manageable going into retirement.

They are eligible to take £122,000 lump sum with the Aviva Lifestyle Max at an interest rate of 8.99%

The annual percentage rate (APR) is 9% which is the actual yearly cost of borrowing, including any fees payable and should be used as the overall cost of comparison.

**Please remember the actual rates available to you will depend on your individual circumstances and loan amount.**



## Susan takes a cash lump of £40,000 with an additional £35,000 in a cash reserve with the Aviva Lifestyle Flexible Option lifetime mortgage

Susan, 76 lives in Bristol. Her home is valued at £350,000.

She takes a lump sum of £40,000 to install an easy-access wet room downstairs and puts £35,000 into a cash reserve, which she may need to access in the future. She recently suffered a heart attack, has angina and has had surgery to repair her heart valve so qualifies for medically enhanced rates. As Susan was referred to an adviser by Aviva there will be no upfront advice fee to pay.

Susan is offered a 5.65% interest rate. If Susan didn't have any health or lifestyle conditions the interest rate would have been higher at 6.46%.

The annual percentage rate (APR) is 5.90% which is the actual yearly cost of borrowing, including any fees payable and should be used as the overall cost of comparison.

**Please remember the actual rates available to you will depend on your individual circumstances and loan amount.**

# What a lifetime mortgage offers

- You'll remain a homeowner**

There's no need to move – you'll still own 100% of your property and continue to live in your home once you've released equity.

- 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.

- Downsizing protection**

You can apply to transfer your lifetime mortgage to a new property if you decide to move home. If you can't transfer your lifetime mortgage to another property, you may be able to pay it off in full without an early repayment charge. You must have had your lifetime mortgage for three years or more to be eligible for the downsizing protection.

- 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. Bear in mind that adding this guarantee will reduce the amount you can borrow.

- Voluntary Partial Repayments**

Even though you don't have to make any repayments before the end of the lifetime mortgage, you have the option to make voluntary partial repayments if you wish. Each year, the maximum amount you can repay is 10% of total of the initial loan, any additional borrowing and cash reserve releases, excluding any accrued interest. The minimum repayment each time is £50. If you've taken out more than one loan, the repayment amount will pay off the most recent loan first.

Making voluntary repayments helps to reduce the growth of the amount you owe over time. However, depending on how the value of your property changes you could still owe more than what your property is worth. If this happens we would not refund any voluntary repayments you have made.

# How much can you release?

The table is designed to give you a rough indication of the maximum amount you could release with an Aviva lifetime mortgage. The figures are based on a single-life applicant and aren't guaranteed.



Use our online calculator to work out how much tax free cash you could release from the value of your home.

It takes less than a minute.

[aviva.co.uk/-calculator](https://aviva.co.uk/-calculator)

Age	House value				
	£150,000	£200,000	£250,000	£300,000	£350,000
55	£39,000	£52,000	£65,000	£78,000	£91,000
60	£48,000	£64,000	£80,000	£96,000	£112,000
65	£55,500	£74,000	£92,500	£111,000	£129,500
70	£63,000	£84,000	£105,000	£126,000	£147,000
75	£50,550	£67,400	£84,250	£101,100	£117,950
80	£70,500	£94,000	£117,500	£141,000	£164,500
85+	£78,000	£104,000	£130,000	£156,000	£182,000

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)
- whether you choose a one-off lump sum or a lump sum with a cash reserve
- for leasehold properties, the remaining lease length will determine what percentage of the property valuation is used to work out how much you can borrow.
- the property type, value and postcode
- whether you choose to take our inheritance guarantee
- your health and lifestyle



# How to get financial and legal advice

If you're eligible and want more information, we can put you in touch with an Equity Release adviser who'll give you a personalised illustration and highlight the benefits, costs and risks of an Aviva lifetime mortgage.

The Aviva Equity Release Advice team will only be able to advise on lifetime mortgages available from Aviva.

You won't be charged for the personalised illustration or charged a separate advice fee when you arrange advice through us.

If you'd 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](http://www.unbiased.co.uk)**.

An adviser may charge for their services.

For a no obligation chat to find out more about equity release with Aviva and if it might be right for you, call:

**0808 239 9212**

## Getting legal advice

You'll need to appoint a solicitor to act on your behalf. They'll discuss the legal implications of taking out a lifetime mortgage and deal with the practical side of your application. For example, doing searches, what happens at probate and your will, along with many other legalities.

They'll also answer any questions you have. There'll be a cost for this, which you'll need to pay yourself.

If you don't already have one, you can call **The National Solicitors Network** on **0845 389 0380** to get information about solicitors local to you on their panel.





# Frequently asked questions about Aviva's Lifetime Mortgage

## Can I borrow more later?

You could borrow more if your home increases in value or you don't borrow the full amount available to you at outset, subject to our lending criteria at the time. However additional borrowing is not guaranteed to be available in the future. The interest rate is calculated on any additional loan amount at the time your application is received, which could be higher or lower than the interest rate you received when you first set-up your lifetime mortgage.

## Are there any fees?

Your financial adviser will give you a personalised illustration that tells you if any fees are payable. You can also get a copy of our Tariff of Charges by visiting [aviva.co.uk/charges](https://aviva.co.uk/charges) or calling 0808 239 9212.

## Can I end the lifetime mortgage early?

Our lifetime mortgages are designed to last for the rest of your life so it might not be right for you if you plan to pay it off early. You can end your lifetime mortgage early by paying off the loan and the interest, but you may have to pay a substantial early repayment charge for this. We offer fixed early repayment charges. On the Lifestyle Flexible Option lifetime mortgage we also offer gilt-based early repayment charges. Your adviser will help you choose and explain how the early repayment charges work.

If you'd like more information about our early repayment charges before you speak to an adviser, we have a brochure for each.

For gilt-based early repayment charges visit: [aviva.co.uk/gilt-based](https://aviva.co.uk/gilt-based)

For fixed early repayment charges visit: [aviva.co.uk/fixed](https://aviva.co.uk/fixed)

## 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 representative will sell the house. If you die, it's sold by the executor looking after your estate. Any money left over after the lifetime mortgage is repaid will belong to you or your estate.

## Do I have time to change my mind?

Don't worry, we won't rush the equity release process and you'll have plenty of time to think about your options. Family members are encouraged to attend your meeting with your financial adviser and you won't be pressured into signing before a deadline.

## Where can I get independent guidance?

You can find out more about equity release from the **Equity Release Council** and from **MoneyHelper**.

**Equity Release Council**  
**0844 669 7085**  
[equityreleasecouncil.com](https://equityreleasecouncil.com)

**MoneyHelper**  
**0800 138 7777**  
[moneyhelper.org.uk](https://moneyhelper.org.uk)

Call **0808 239 9212**  
or visit [aviva.co.uk/-er](https://aviva.co.uk/-er)



# Why choose Aviva?

## You're in safe hands with us.

We've helped homeowners unlock more than £11bn since 1998.

Releasing equity from your home is a big step so you'll want to know that the provider you choose has a strong track record and complies with all financial regulations.

### Equity Release Council

Aviva is a long-standing supporter and member of the Equity Release Council – a trade body set up in 1991 to make sure equity release products are safe and reliable.

For more information visit  
[www.equityreleasecouncil.com](http://www.equityreleasecouncil.com)



We're one of the most established and reputable equity release lenders in the UK.

# Contacts us

## Call 0808 239 9212 or visit [aviva.co.uk/-er](http://aviva.co.uk/-er)

Your free, no-obligation conversation will be with a member of the Aviva Equity Release advice team, specially selected to provide information and advice on Aviva's lifetime mortgage.

**Lines are open Monday to Friday: 9:00am - 5:00pm.**  
**Saturday, Sunday and Bank Holidays: Closed.**

For your protection, we may monitor or record your call.



Best Equity Release Lender



Best Equity Release Lender  
Customer Service



Best Equity Release Lender

## Braille, large format and audio

You can order our literature in braille, large font or audio.

Just call **0808 239 9212** or email [contactus@aviva.com](mailto:contactus@aviva.com) and tell us:

- the format you want
- your name and address
- the code of the document which is **PF011273**

Aviva Equity Release UK Limited, Registered in England No 3286484. Registered Office: Aviva, Wellington Row, York, YO90 1WR. Authorised and regulated by the Financial Conduct Authority. Firm reference Number 310433. Firm Reference Number: 185746. Aviva Administration Limited and Succession Financial Management Limited are subsidiaries of Aviva Life Holdings UK Limited.

Aviva Equity Release Advice is a trading style of Succession Financial Management Limited, which is part of the Aviva group of companies and is authorised and regulated by the Financial Conduct Authority. Aviva Administration Limited acts as an introducer to Succession Financial Management Limited for financial advice. The financial advice services are provided by Succession Financial Management Limited, not Aviva Administration Limited.

Aviva Administration Limited is registered in England No. 03424940. Aviva, Wellington Row, York, YO90 1WR. Authorised and regulated by the Financial Conduct Authority. Firm Reference Number: 185746.

Aviva Administration Limited and Succession Financial Management Limited are subsidiaries of Aviva Life Holdings UK Limited.

PF011273 11/2024 (63421)

