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Aviva equity release video script Module 2: Refer or get qualified in equity release

Hello and welcome to our second CPD module.

In module one, we looked at how equity release can be an attractive option for many customers. At the end of the module, you should have read our 'Customer Profiles' guide. You should also have updated your fact find to include property questions, which could help initiate conversations about how your clients might want to use their property as part of their retirement planning.

As an adviser, you'll meet clients who could really benefit from using equity release. Maybe they need to adapt their home to make it more accessible, or perhaps they want to give family members a financial leg up.

Lifetime mortgages, which now make up the vast majority of the equity release market¹, are an advised only product. To help your clients make the most of what a lifetime mortgage could offer them, you'll need to be qualified to write equity release business. Or, perhaps you're thinking about referring business to a trusted partner who's already qualified in equity release. If your back book has a number of suitable clients, this could be another revenue stream to add to your business.

In this module, we'll look at how to get qualified and what that entails. We'll discuss what to expect when writing a typical lifetime mortgage case and we'll talk about referring business too.

Is qualification for you?

Before you go ahead with gaining your qualifications, there are a few important questions you need to ask yourself:

- ✓ First, how will you set up your business? For instance, you'll need to ensure you have the right type of personal indemnity insurance. This could protect you if you face a negligence claim, covering legal costs and any compensation you may be required to pay to a client. You can find out more about indemnity insurance on the FCA's website.
- Second, if you work as part of a firm, how interested are they in expanding their equity release business?
And do you already have qualified equity release advisers within your firm?
- ✓ And finally, how will you recruit clients? We'll look at this more closely in Module Three, but think about whether your current client base aligns to the customer types and uses for equity release outlined in Module One – for example, do you have clients with interest-only mortgages? Will you need to recruit additional customers beyond your normal back book?

The equity release qualification is an ideal qualification for mortgage brokers. Although there are now some mortgages on the market that cater for the over-70s, generating business via this age group is limited. Equity release allows you to offer a new service for those who might be looking for extra income but have limited options to generate it. With pension providers warning that people aren't saving enough for retirement, equity release could be the logical solution for homeowners. So, let's

¹ Mintel, Equity Release Schemes UK, November 2021

take a closer look at how you can go about getting qualified in equity release.

Routes to qualification

When it comes to qualifying, there are two paths you can follow. The Chartered Insurance Institute and the London Institute of Banking & Finance both offer qualifications in equity release.

With the CII, you can take the Level 3 Certificate in Equity Release. To get this qualification, you'll need to take three of four modules from the Personal Finance qualifications framework. It's also worth checking whether any existing qualifications you have could count towards this.

If you choose the London Institute of Banking & Finance, you can take the new Certificate in Regulated Equity Release. You'll need to have already completed either the Certificate in Mortgage Advice and Practice or an equivalent Level 3 mortgage life advice qualification first.

Both options offer module-based exams with multiple choice questions. There's no time limit on how long you take to complete your studying, meaning you won't end up putting yourself under extra pressure to get it finished in time.

You can read more about what these qualifications involve in our 'Equity Release qualifications - understanding your options' guide. We also have a range of sample papers, test questions and revision notes to support you through your exams.

What to expect when you write your first case

Once you've got your qualifications under your belt, you're ready to write your first case. Here's the typical process when writing a lifetime mortgage.

First, and perhaps most importantly, talk to your client. In 2020, the FCA published a report on the equity release sales and advice process. This noted that "insufficient personalisation of advice" was a significant area of concern. Equity release is never a "one-size-fits-all" product – knowing what your client wants, what their expectations are and what a realistic outcome could be are all vital steps in the equity release process. Encourage your client to involve their family if they're going to be affected by the lifetime mortgage, as it's important for them to be part of the decision-making process.

If your client wants to go ahead, you'll fill in the application form on their behalf and your client will need to appoint a solicitor.

The equity release provider will carry out a valuation survey of the property, and your client will meet with their solicitor to ensure that they have agreed and understood the terms of the loan.

Your client will then sign the legal document before the money is transferred.

On average, it takes 8-12 weeks to complete a case from start to finish.

If you choose Aviva as your lifetime mortgage provider, our support team are always there to help you every step of the way.

Referring business

If you're not ready to get qualified just yet, you could start by referring potential lifetime mortgage customers to a trusted partner. This is a good way to get to know the product and learn how to identify customers who could benefit. It can also provide an extra income stream, as you'll often earn commission from referring business.

Our 'Referrals guide' is designed to help you identify what to look for in a potential referrals partner, and how to set this process up in a compliant way.

Complete your CPD requirements

To gain your CPD credits for this module, make sure you read the supporting guides - "Getting qualified" and "Referrals best practice". And take a closer look at the equity release service we offer by reading "Why choose Aviva for Equity Release?"

In Module Three we'll guide you through the best ways to grow your client base, have effective conversations with your clients, manage your marketing and choose the right products.