Aviva Equity Release

A guide to our lifetime mortgages

Contents

Get in touch

New customers

Give us a call on 0800 046 8405
Monday to Friday 9:00 - 17:30

Existing Aviva lifetime mortgage customers

If you already have an Aviva lifetime mortgage, you can contact us through **MyAviva**.

Alternatively, you can call us on 0800 158 4177
Monday to Friday 9:00 - 17:00

What is equity release?

Equity Release can give eligible homeowners aged 55 or older access to some of the money tied up in the value of their property. These plans could allow you to take cash from the value of your home, without having to move out.

Equity Release helps you release cash for whatever matters most in life. Here are some of the reasons why customers could release money from their home:

- Adapting your home to enable independent living
- Renovating or refurnishing, from a new kitchen to new furniture
- 'Topping up' retirement income – making life more comfortable
- Paying for health care – one off private medical bills or receiving ongoing care in the home
- Helping children and grandchildren with house deposits, student fees, weddings, other major events and leaving a living inheritance
- Inheritance Tax Planning – managing your estate and, wealth and tax planning
- Paying off debt – including the shortfall on an interest-only mortgage
- Enjoying life – leisure interests, buying a new car, taking a holiday or visiting relatives abroad.

The type of equity release that Aviva offers is called a **lifetime mortgage**.

What is an Aviva lifetime mortgage?

It's a long-term loan that is secured on your property. You can choose to release a single lump sum, or you have the option to release a lump sum and set up a reserve fund to borrow additional sums from in the future.

Unlike a standard residential mortgage, you don't make any monthly repayments; instead interest builds up on your loan each year. Interest is charged on the total borrowing and any interest previously added, which quickly increases the amount you owe.

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, as defined in our terms and conditions.

If you take out a lifetime mortgage with Aviva, it will be personal to you. The amount that you can borrow is based on your individual circumstances including your age, health and lifestyle, whether it's taken out in single or joint names, your property criteria and the current value of your property.

You need to speak to an equity release adviser and take independent legal advice before taking out a lifetime mortgage. Your equity release adviser will be able to help you decide if a lifetime mortgage is right for you. They will look at this in relation to your overall financial situation and help you to understand the features and risks involved. There may be other alternatives that could help you raise cash and your equity release adviser will help you look at all your options before making a recommendation. They will also give you a personalised illustration.

Who might qualify?

You could be eligible if:

- **You are a homeowner aged 55 or over** – If you're married, in a civil partnership, or co-habiting you must both be aged 55 or over. We'll use the age of the youngest borrower to work out the loan amount.
- **You live permanently in your home** – the property must be your main residence and you must not leave it unoccupied for more than six months at any one time.
- **You are mortgage-free or only have a small mortgage** – your remaining mortgage 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 (not including the Channel Islands or Isle of Man) and worth at least £75,000** – 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.
- **You want to borrow at least £15,000** and the value of your property makes this possible
- **You own a home that's:**

  freehold – or if you live in Scotland feuhold, ex-feuhold or freehold, or

  leasehold – the sum of the years remaining on the lease plus the age of the youngest borrower must equal at least 160. For example, if the youngest borrower is 65, at least 95 years must be left on the lease. Lease lengths with a remaining term of less than 75 years will be declined regardless of the youngest borrower's age.

We've given more information about the types of properties we will and won't accept in our Guide to properties we'll consider. Please ask your financial adviser for a copy of this.

How much could you borrow?

This can depend on any of these four things:

1. Your age (we'll use the age of the youngest borrower for joint lifetime mortgages)
2. The value of your home
3. Your health and lifestyle
4. Property type and location.

Getting your home valued

As the amount you can borrow depends on the value of your home, we'll arrange for a valuer to work out how much your home is worth.

It's possible that the valuer may recommend a specialist report for your property. If they do, we may need to see this report before we can continue with your application.

If the report shows that your home needs essential repairs, you may need to get this work completed before we can process your application any further. We'll talk to you about this at the time. We may agree to release the money to you to get the work done, if you agree to it being completed within a certain time frame. However, this isn't guaranteed, and sometimes we won't be able to release any money until the work is completed, so you will have to pay for this yourself before you take out the lifetime mortgage.

The valuer may need to re-inspect your home after the work has been done. We'll tell you if this is the case and will charge a re-inspection fee. For more information about the valuation fees and other fees for our lifetime mortgage please see our 'Tariff of Charges' leaflet.

Get an estimate before the valuer visits

As the valuation fee depends on your estimate of how much your property's worth, it might be a good idea to research values of similar properties in your area. As an example, HM Land Registry provides details of sold prices in your area.

landregistry.data.gov.uk/app/ppd

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Our lifetime mortgages – features and considerations

A lifetime mortgage is a long-term commitment which can only be made with financial advice, so it's important to understand what it means for you personally. On this page you'll find some of the benefits of taking a lifetime mortgage and the types of things you need to think about before releasing equity from your home.

What are the benefits?

- You continue to own and live in your home.
- There is a fixed rate of interest throughout the term of your mortgage.
- You receive a cash lump sum and could have the possibility of releasing further cash in the future, subject to our terms and conditions.
- Our 'no negative equity' guarantee means that you or your estate will never have to pay back more than your property is sold for, as long as it's sold for the best price reasonably obtainable.
- Our optional inheritance guarantee ensures you can leave an inheritance for your family (if this option is selected at the time you take out the lifetime mortgage).
- Our voluntary partial repayment feature lets you pay back some of the money you've borrowed. See page 8 for more details.
- You may be able to borrow a higher amount depending on your health and lifestyle.
- You can apply to transfer your lifetime mortgage to a new property if you decide to move home. If the new property doesn't meet our current lending criteria the mortgage will need to be repaid. However, if you're eligible for downsizing protection you can repay your loan with no early repayment charge. This feature is available on lifetime mortgages applied for on or after 8 April 2019. Please see your terms and conditions for more information.

Things to consider

- If you have money in pensions, savings or investments it's worth considering if these are a better way to fund your future plans. There are costs involved in freeing up cash through a lifetime mortgage and reviewing alternative options with your financial adviser should be a key part of your decision making process.
- Another way to release the value locked away in your home is to either sell it or move to a smaller property. But if you want to stay in your current home and avoid the upheaval and costs of moving, then a lifetime mortgage could be a viable option.
- Interest is added annually on the amount you've borrowed and any interest already added. This method of charging interest is known as compound interest and means the amount you owe increases quickly.
- This is a lifetime commitment. If you choose to fully repay the plan early, you'll have to repay the loan and the interest, and there may be an early repayment charge to pay. See page 10 for more details.
- The amount of inheritance you can leave will be reduced, possibly to nothing. However, you can choose to take our optional inheritance guarantee to help with this. See page 9 for more details.
- Releasing equity from your home may affect your tax position. It may also affect your eligibility for certain welfare benefits such as council tax benefits, pension credit and certain health benefits.

Your equity release adviser will be able to talk you through all of the things that you need to consider and anything else that could be relevant to your personal circumstances.

Our lifetime mortgages – in more detail

Here's how our lifetime mortgages work. We've also included some fictitious case studies to give you an idea of how you could use a lifetime mortgage to make those home improvements, help your children get onto the property ladder or enjoy a more comfortable retirement.

A one-off cash lump sum

The basics

Allows you to borrow a one-off cash sum. Could be a good option if you have something specific in mind that you want to use the money for. For example, topping up your retirement income, or to help a child or grandchild onto the property ladder.

Features

Borrow a one-off cash sum from £15,000.

Married couple **Andrea** and **James** are in their mid-70s and have been enjoying a relatively comfortable standard of living until now, thanks to adequate private pensions. Their two children have successful careers and have no need for financial support, so Andrea and James have been doing all the things they couldn't do when the children were young: carrying out home improvements, travelling abroad and upgrading their car.

Over the past couple of years, their health has started to decline: Andrea has mobility issues and James has a heart condition, high blood pressure and diabetes. The main priority for the couple is to stay in their home for as long as possible. There are few bungalows in the local area and a smaller property would mean less space for their possessions and their five grandchildren who often stay over. Staying local is also important to Andrea and James.

Their priorities are to convert the master bathroom to a wet room, install a stair lift and fit ramps to both doors, as well as a long list of minor home adaptations that will make their lives easier. The total cost of the work to the house is expected to be about £45,000, but they would also like to take the whole family on a big holiday before their health makes this impossible. In total, Andrea and James need about £60,000.

The property in Solihull is currently valued at £390,000, and they decide to take out £60,000 which pays for the work on the house, a family holiday and small amount left over which they will keep as an emergency fund.

Cash lump sum with access to a cash reserve

The basics

Allows you to borrow an initial lump sum and set up a cash reserve to draw money from, as and when you need it. You only pay interest on the money that you've drawn. The financial advice you take when setting up the initial loan also covers the money held in your reserve. This means that you can take money from your reserve without having to obtain further financial advice.

Features

Borrow at least £15,000.

Set up a cash reserve

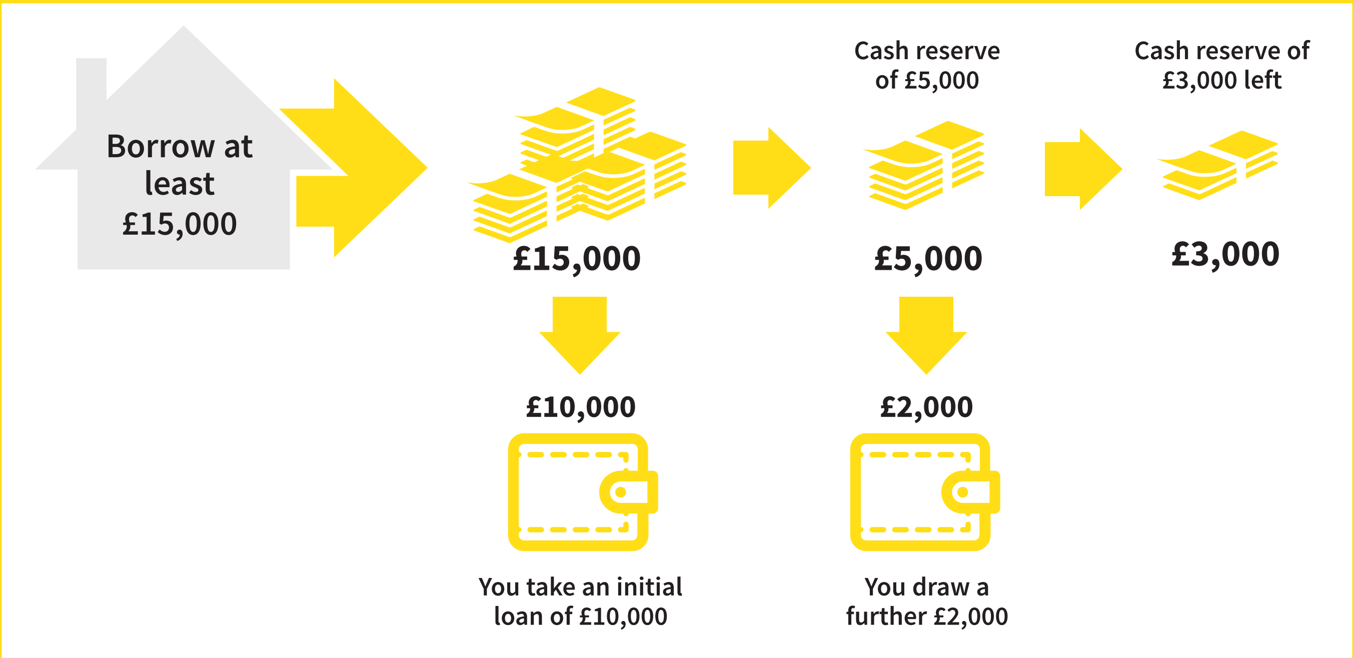
No need to take all the money at once – however, you must take a minimum of £10,000 as your initial loan and set up a cash reserve of at least £5,000.

A new interest rate for each draw – each time you take money from your cash reserve, we'll offer you the interest rate valid on the day you ask to take the money. This could be higher or lower than your previous rate and means that you could be paying a different interest rate on your initial loan and each new draw from your cash reserve. The interest rate will be based on the day the draw is requested. You can arrange for the payment to be made up to 10 working days in the future and the interest rate provided will be guaranteed.

Release small amounts from your cash reserve – the minimum you can release at any one time will be shown in your lifetime mortgage offer.

Minimum cash reserve of £5,000 – if the initial loan you take leaves less than £5,000 to put into reserve you won't be able to set up a cash reserve. For example, if the maximum you can borrow is £100,000 and you take out an initial loan of £97,000, you'd have £3,000 left and wouldn't be able to set up a cash reserve.

Once we've set up your cash reserve, we don't usually revalue your home. This means that any changes in the value of your property wouldn't normally affect the amount of cash you have in reserve. However, in exceptional circumstances we may revalue your home and reduce or cancel your reserve. There may be some circumstances when we won't allow you to take money from the cash reserve. Please read the terms and conditions for more information.



Married business owners **Chris** (65) and **Alice** (64) live in St Albans. Their 28 year old son lives at home with them - he's struggling to raise enough for a deposit on a flat in the area on his current salary.

Chris and Alice are keen to help their son become a first-time buyer. They have some modest savings which they want to keep in place as an emergency fund. They have good private pensions and have paid off the mortgage on their house, worth £550,000. For Chris and Alice, unlocking their housing wealth through equity release could be an intuitive way to help their son to get on the property ladder.

They want to give him £45,000 towards the deposit on a flat. This will allow him access to more lenders, products and a lower interest rate. He will use the money he saves on mortgage payments to repay his parents some money each year, which Chris and Alice could use to voluntarily repay part of the lifetime mortgage.

Chris and Alice have also taken out £20,000 to make some improvements to their house. In addition, they've set up a reserve facility of a further £20,000, which they could use in future years to help their son and any grandchildren that may come along.

Our lifetime mortgages – the standard features

Our lifetime mortgages come with a range of standard features.

No negative equity guarantee

Negative equity occurs when you owe more than your home is worth. This can happen when you secure loans against your home or where you borrow money to buy a property and then its value falls.

Our lifetime mortgage has a no negative equity guarantee. This means that you or your estate will never have to pay back more than your property is sold for, as long as it's sold for the best price reasonably obtainable.

Voluntary partial repayment

A lifetime mortgage is designed to be repaid in full once you (and your partner for joint lifetime mortgages), have died or need long-term care subject to our Terms and Conditions.

Our voluntary partial repayment feature allows you to make voluntary partial repayments, with no early repayment charges to pay.

This is useful if your circumstances change and you find that you can afford to repay some of the money you've borrowed.

The maximum you can repay each year is 10% of the total of the initial loan, any additional borrowing and cash reserve releases, excluding any accrued interest and the minimum you can repay at each instalment is £50.

If you're considering making voluntary partial repayments you will need to contact us each time you want to make a payment. These can not be set up as regular payments. The payment methods we can accept for these are BACS, CHAPs, Faster Payments or Debit Card.

It's important to note that you don't have to make any voluntary partial repayments against your loan in your lifetime unless you want to. If you do choose to make voluntarily partial repayments, this will reduce the total amount you owe.

Your equity release adviser will be able to give you more information about making voluntary partial repayments.

This option is only available to those who applied for their lifetime mortgage on or after 28 April 2014.

Fixed interest rate

Our lifetime mortgage has a fixed interest rate that applies throughout the term of the loan. The rate we set on your initial loan takes into consideration several things. This includes your personal circumstances such as age, health and lifestyle, as well as product features such as the amount you choose to borrow, the cost of valuing your property and any cashback you wish to receive.

The interest rate on any additional borrowing you may apply for and any cash you draw from your reserve will attract a new interest rate.

Additional borrowing

You may be able to borrow more money, but this is not guaranteed and depends on:

- The value of your home
- How much you've already borrowed from us
- Our lending criteria and loan availability at the time.

You may be able to borrow more if your home has increased in value or if you didn't borrow the full amount when you took out your initial loan.

It's unlikely you'd be able to borrow more if your home has fallen in value or if you've already borrowed the maximum available.

If you added an inheritance guarantee to your lifetime mortgage, you may be able to reduce or remove it to borrow additional money.

We'll only accept an application for additional borrowing if you've received financial advice from a financial adviser who is qualified to sell equity release.

We'll arrange for a valuation of your home and you can find full details of all our fees in our 'Tariff of Charges' leaflet. Your financial adviser will be able to give you a copy of this.

Enhanced lifetime mortgages

If you have certain medical conditions that may restrict your life expectancy, you may be able to borrow a higher percentage of your property's value (loan to value) or benefit from a lower rate of interest instead. Your financial adviser can assess your eligibility for getting an enhanced lifetime mortgage, using a health and lifestyle questionnaire that we provide.

Inheritance guarantee

A lifetime mortgage will reduce the amount of inheritance you can leave in your estate. However, when you apply for your lifetime mortgage you can leave a percentage of the value of your home by adding an inheritance guarantee. You can't add this feature at any other time and if you decide to take out an inheritance guarantee it may affect the interest rate you're charged.

- When you apply, tell us what percentage of the value of your property you want to safeguard for your estate.
- The guarantee will be for a percentage of the sale price of your home, rather than a specific sum.
- If you choose this option, you won't be able to borrow as much from us because the loan amount will be based on the proportion of your property's value that's not guaranteed.

Please also bear in mind that inflation will affect the real value of the money you safeguard through an inheritance guarantee.

Downsizing protection

We recognise that circumstances can change over time, and often without warning. You may have every intention of staying in your home but sometimes events can mean that you have to move. You might need more support so choose to move into sheltered accommodation or a retirement home. You may also choose to live closer to your family.

If you apply to transfer your lifetime mortgage, but your new property doesn't meet our lending criteria at the time, you won't be able to move your lifetime mortgage to your new home. The lifetime mortgage will need to be repaid in full. If you're eligible for downsizing protection you will not have to pay an early repayment charge. This feature is only available on lifetime mortgages applied for on or after 8 April 2019. To benefit from downsizing protection, you need to have held your plan for three years or more. Please see your terms and conditions for more information.

What if I want to repay my lifetime mortgage early?

Early repayment charges

As the name suggests, your lifetime mortgage is not designed to be repaid in full before you (and your partner if you have a joint mortgage) die or move permanently into long-term care. However, sometimes your circumstances can change and you might want to repay your loan in full before then.

Why we make an early repayment charge

The reason we make an early repayment charge is that in order to lend you money, we secure funds for the expected lifetime of your loan. This arrangement is a fixed cost for us. If you decide to repay your loan early, we must still pay for the funds we originally secured for your loan.

How we charge for early repayment

Mortgage lenders use different methods to calculate early repayment charges. They are designed to help recover costs and to put the lender back in the position it would have been in, had the lifetime mortgage run to the expected term.

We offer fixed percentage and gilt linked early repayment charges and you must choose one when you set up the lifetime mortgage.

If you'd like more information about how our early repayment charges work, we have a booklet for each.

You can get a copy from your financial adviser, give us a call on **0800 158 4177** or download your own copy from our website:

Fixed percentage early repayment charges

For fixed percentage early repayment charges explained, visit **aviva.co.uk/adviser/documents/view/pf011601c.pdf**

Gilt linked early repayment charge

For variable gilt-index early repayment charges explained, visit **aviva.co.uk/adviser/documents/view/pf011612c.pdf**

If you applied for your lifetime mortgage before 24th January 2022 and selected a gilt linked early repayment charge, your lifetime mortgage will be based on our variable individual gilt-based early repayment charge. For further information please visit **aviva.co.uk/adviser/documents/view/pf011231c.pdf**

Eight situations in which early repayment charges won't apply

In certain circumstances there will be no early repayment charge to pay. These are:

1. You have a **joint lifetime mortgage** and you repay it within three years of the date that your partner dies or from the date that you notify us that one of you needs long-term care.
2. When you – and all borrowers on the lifetime mortgage – have either died or meet our long-term care criteria.
3. You move property and transfer your lifetime mortgage to the new property. The property that the lifetime mortgage is being transferred to must meet our current lending criteria.
4. You want to move and apply to transfer your lifetime mortgage to a new property that doesn't meet our current lending criteria. If you're eligible for downsizing protection you can repay the lifetime mortgage with no early repayment charge. This feature is available on lifetime mortgages applied for on or after 8 April 2019. Please see your terms and conditions for more information.
5. You want to sell part of your property and we have given you consent to do this.
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 (and we have given you our consent).
7. You are making voluntary partial payments. See page 8 of this guide.

8. **Variable individual gilt early repayment charges**

Your gilt, that's been assigned to your lifetime mortgage has expired or if the gilt yield on the day you would like to repay is the same or higher than it was on the completion date of your lifetime mortgage. The gilt expiry date is shown in section 13 of your key facts illustration and offer document.

Variable gilt index early repayment charges

When the early repayment charge term has ended or if the gilt yield on the day you would like to repay is the same or higher than it was on the completion date of your lifetime mortgage.

Fixed percentage early repayment charges

Your fixed percentage early repayment charge period has ended. The early repayment charge term is shown in your offer document which you'll receive at the time you take out the lifetime mortgage and if you borrow an additional amount. If you take money out of your cash reserve the early repayment charge term is shown in the confirmation letter.

What happens when I die or move into care?

How we assess your need for long-term care

Our definition of long-term care is where you need permanent care from another person or other people, either to help you to perform two or more Activities of Daily Living (ADLs), or because you're suffering from Dementia.

If you leave your property permanently or plan to redeem your lifetime mortgage because you require long-term care, we will need to undertake an assessment to help us to determine whether you will need to pay an early repayment charge.

You won't have to pay an early repayment charge if we understand that you have Dementia or are unable to perform two or more ADLs. The ADLs are defined in our terms and conditions.

You can continue to live in your home until you pass away or move out to receive permanent long-term care away from your home. For more information about how we assess the need for long-term care and whether the lifetime mortgage needs to be repaid, please see our terms and conditions. Your financial adviser will also be able to help you with this.

What happens to my lifetime mortgage when I die?

The lifetime mortgage is designed to be paid in full when you, and if held jointly, your partner dies or goes into long-term care.

The people dealing with your estate will be given a reasonable length of time to repay the loan. This is currently 12 months. It's important to note that interest will continue to accrue on the outstanding loan amount until it is paid in full.

The lifetime mortgage is normally repaid through the sale of the property but that isn't always necessary if there are other means by which the funds can be raised to repay the loan.

If after 12 months, the people dealing with your estate haven't repaid the loan, they must contact us on **0800 158 4177** to discuss this further. This is classed as a default, meaning the legal obligations of a loan haven't been met, and we reserve the right to repossess the property to settle the outstanding loan amount.

Making changes to your lifetime mortgage

As a lifetime mortgage is a long-term commitment, you may find that your circumstances change over the time you have it. With this in mind, we try to be as flexible as possible in making changes to your plan.

Can I move?

Yes, provided your new property meets our lending criteria when you apply, and we agree that you can move home and take your lifetime mortgage with you.

If your new property doesn't meet our lending criteria you will not be able to take your lifetime mortgage with you. If you still want to continue with your move you will need to repay your lifetime mortgage in full. This could mean that you also have to pay an early repayment charge. If you're eligible for downsizing protection, the early repayment charge will not apply. More information about downsizing protection is available on page 9.

Moving from a house or bungalow to a flat or maisonette

This will have implications for your lifetime mortgage. 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. Because of this, we may require you to repay part of your loan if you move from a house or bungalow to a flat or maisonette.

As soon as you decide you want to move, please call us on **0800 158 4177**. We'll explain the process and let you know if our lending criteria has changed since you took out your lifetime mortgage. We can also send you our moving home guide.

Will I have to pay any fees if I move home?

Yes, we'll arrange to value the new property and we may also need to revalue your existing property.

You'll have to pay the fees for this and an application fee.

You must also appoint a legal adviser to carry out all the legal work for buying your new property and transferring your lifetime mortgage. We will instruct our own legal adviser and you'll have to pay their fees.

You won't have to pay any early repayment charges if you transfer your loan to your new home.

Please see our 'Tariff of Charges' leaflet for more information about fees.

Moving to a property of lower value

- We may require you to repay part of your original loan and interest if you move to a property of lower value.
- This depends on the total amount of your loan, plus interest at that time, and the value of your new home.
- If you have a cash reserve, we may need to reduce this amount.

Moving to a property of the same or higher value

- This won't have any effect on your loan.
- You may be able to borrow more.

Adding someone new to your plan

If someone else is moving into your property to become a joint owner after you've taken out your lifetime mortgage, then you'll need to inform us about this as soon as possible. Whether you can add the other person to your lifetime mortgage depends on how old they were when you took it out.

The new person was aged under 55 when you originally took out your lifetime mortgage

- You can't add them to your lifetime mortgage as you need to be aged 55 or over when the plan starts.
- You'll have to repay your lifetime mortgage if you want the other person to become a joint owner of your home.
- We strongly advise that you talk to your financial adviser if you're considering this option as you may have to pay an early repayment charge.

The new person was aged over 55 when you originally took out your lifetime mortgage

- You can transfer your home to joint names and we'll add them to the lifetime mortgage. You will have to pay legal fees if you do this.
- You may be required to repay part of your loan and interest, especially if the person you're adding is younger than you.
- The amount to be repaid will depend on:
  - how much you already owe for the lifetime mortgage
  - the current loan to value amount for the younger person
  - the value of your property (we'll appoint a valuer to assess your property. You'll have to pay valuation fees).

Arranging for someone else to become a joint owner will affect your rights over the property. It will be worth speaking to your solicitor to find out how this might affect you. You may be able to make provision for your partner without naming them as a joint owner of your home.

More detailed information about adding someone to your plan is given in our terms and conditions.

Removing someone from your plan

If you've taken out a joint lifetime mortgage, it may be the case that one of you decides to leave the property. If this happens you must tell us as soon as possible. You won't have to repay the loan, but we will transfer your home and lifetime mortgage into the name of the remaining borrower.

We'll send you a form to complete and you'll need to appoint a solicitor to carry out the legal work. We will instruct our own legal adviser to act on our behalf and we will pay our fees. Please talk to us about this if you're considering it.

If you're thinking about making changes to your lifetime mortgage, you will need to take legal advice. We also recommend that you get in touch with us so we can help you understand the changes you can make on your lifetime mortgage.

Questions and answers

Will I pay interest on my loan?

Yes, but you don't have to make monthly repayments like you would with an ordinary mortgage. Instead, we'll add interest to the amount you owe and any interest already accrued. This method of charging interest is known as compound interest. The interest must be repaid along with the loan when you pass away, go into long-term care (subject to our terms and conditions) or choose to repay the loan early.

Compound interest is also applied to any additional money you borrow and to any cash reserve you draw, so the more you borrow, the faster the total amount you owe will increase. Because of this, it makes sense to only borrow as much money as you need. You may be able to borrow more at a later date if you need to.

What are the interest rates?

The rate available will depend upon your circumstances. Please ask us for a personalised illustration.

We guarantee interest rates for 14 weeks, until the date shown in your Lifetime Mortgage Offer. If your loan hasn't completed within this time, we'll contact your adviser to see if you want to continue with your application. If you do, the interest rate that is current on the next working day after the expiry date of the initial 14 weeks will be guaranteed for 14 weeks. This could be higher or lower than your original rate.

What are my responsibilities?

You must maintain the property and keep it in good repair. The property must also be insured and you must pay all property- related bills such as council tax, utility bills and service charges. The property also needs to remain your main residence.

Can I make changes to my home?

You're free to make improvements to your home, and can even use the money from your lifetime mortgage. However, you must let us know if you're planning to make any structural changes, e.g. adding an extension or conservatory to your home. You'll need to send us copies of any planning permission and building regulations approval.

How do I know how much I owe?

We'll send you an annual statement on the anniversary of you taking out your lifetime mortgage. It'll tell you how much you've borrowed, whether you've made any repayments and the amount of interest accrued.

Whenever you make a voluntary partial repayment we'll send you a separate statement to show how this has affected your loan amount.

Can I borrow more money?

With our lifetime mortgage you may be able borrow more in the future. We can't guarantee you'll be able to do this as it depends on:

- The value of your home
- How much you've already borrowed from us
- Our lending criteria and loan availability at that time.

If you want to borrow more you'll need to take financial advice again and we'll arrange for your home to be revalued. The interest rate on the additional amount of money you borrow could be different from the one on your original loan as it will be the rate that is current at the time that you apply. The terms and conditions could also have changed which your financial adviser will discuss with you.

Will this affect my tax position and entitlement to welfare benefits?

Taking out this lifetime mortgage may affect your eligibility for welfare benefits. It may also affect your tax position. Further advice is available from HM Revenue and Customs, Benefits Agency or another source of advice such as a Citizens' Advice Bureau.

You don't need to pay tax on the money we loan you.

Will I still own my home?

Yes, you're still the legal owner of your home and can stay in it until you (and your partner for joint lifetime mortgages) die or need to leave your home to go into long-term care (subject to our terms and conditions).

We'll never force you to leave your home because you need care. In fact, you can arrange for care in your home. If you do this, you won't have to repay the loan unless you die or move into long-term care (subject to our terms and conditions).

Who to involve before taking out a lifetime mortgage

Taking out a lifetime mortgage is a long-term commitment and isn't suited to everyone's individual needs. You must receive financial and legal advice before we can provide a lifetime mortgage. We also suggest involving your family before making your final decision.

Talk to an equity release adviser

A financial adviser can help you decide whether a lifetime mortgage is right for you. They will be able to assess your personal financial situation and talk you through your options.

An equity release adviser will charge you for the advice that they give you and will explain what these charges are at your first meeting.

If you prefer an adviser who will make a recommendation after considering products from the whole of the market, you should choose to speak to an independent equity release adviser.

If you already have a financial adviser, we recommend you talk to them. If you don't have an adviser, you can find one near you **unbiased.co.uk**.

Aviva can refer you to a financial advice firm that has been specially selected to provide information and advice on Aviva's lifetime mortgage by calling **0800 206 2023**. Lines are open Mon-Fri 9am - 5pm. The financial advice firms are authorised and regulated by the Financial Conduct Authority.

Legal advice

You wouldn't think of buying a new home without appointing a solicitor. It's no different if you're thinking about taking out a lifetime mortgage.

You must appoint a solicitor to act on your behalf to carry out searches and deal with the Land Registry, among other things. We suggest that you appoint a solicitor who is a member of The National Solicitors Network. That way you will know the fees from the start and you can be sure that your solicitor will meet their standards of service.

Our 'Tariff of charges' leaflet will provide guidance on legal fees and all other charges.

Involve your family

Although the final decision is yours, we encourage you to talk to your family about your plans, as releasing the equity in your home could affect their lives too. The most obvious example is the amount of inheritance you would be able to leave will be reduced.

You may discover that your family is very supportive of your decision and it's quite possible that they might have been concerned about you having enough money to fund a comfortable future. Equally, they may be worried, so we always encourage our customers to talk about the pros and cons with family before they take out an Aviva lifetime mortgage.

During the advice and application process your adviser will give you all the facts to help you understand the financial and legal obligations of a lifetime mortgage. We actively encourage family members to join you at any meeting with your financial adviser. The adviser will be more than happy for them to ask questions and join in the decision-making process.

Making a complaint

We're confident you'll never need to complain, but if you do, please write to us at:

Aviva
PO Box 520
Surrey Street
Norwich
NR1 3WG

or call us on **0800 068 6800**

For our joint protection, we may record our telephone calls. If you're not happy with our response, you can get in touch with the Financial Ombudsman

Investment Division

Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Tel: 0800 023 4567 (free from landlines) or **0300 123 9123** (charged at the same rate as 01 and 02 numbers from a mobile phone).

This won't affect your legal rights.

Putting your mind at rest

Releasing equity from your home is a big step and you will want to know that the provider you choose has a strong track record.

Why Aviva?

- We're one of the most established lenders in the UK
- We've provided lifetime mortgages to over 260,000 homeowners, releasing more than £9 billion since 1998
- An award winning service, receiving both the What Mortgage Best Equity Release Lender and Customer Service in 2022 and Best Equity Release Lender 2021/2022 at the Personal Finance Awards
- Our Lifetime Mortgage is only available through regulated equity release advisers qualified to sell this type of product.

Best Equity Release Lender

Best Equity Release Lender Customer Service

BEST EQUITY RELEASE LENDER

Equity Release Council

Aviva is long-standing member of the Equity Release Council - a trade body set up in 1991 to help protect people taking out equity release.

We always recommend that if you're considering a lifetime mortgage, you should choose a provider that is a member of the Equity Release Council.

If you'd like more information about the Equity Release Council call

0300 012 0239

or visit **equityreleasecouncil.com**

Need this in a different format?

Please get in touch if you'd prefer this guide **(PF01970)** in large print, braille or as audio.

How to contact us

0800 068 6800

contactus@aviva.com

aviva.co.uk

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