



Your guide to **Equity Release.**



National **Firm.** Local **Values.**

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Testimonials

We are committed to providing excellent service and are continually looking for ways to improve. We monitor our service using client satisfaction questionnaires and feel that the amount of positive feedback we receive from our clients reflects our high standards.



"First class service! I'll use GWlegal for any future legal work."

Mr. Lavis, St Austell



"Difficult to think of one thing that could be improved upon – your service was fantastic."

Mrs. McNeil, Gateshead



"I'm extremely happy with the way my Equity Release was dealt with. I was kept informed, right up to the release of my equity."

Mrs. Woraker, Essex

Having reviewed your requirements with your Introducer, it is now essential to appoint a specialist legal adviser who will act independently, on your behalf, to outline the nature, effects and implications of your chosen equity release plan.

Our Equity Release Credentials:

- Experienced staff with excellent working knowledge of the entire range of equity release plans
- Founding member of Equity Release Solicitors Alliance – specialist solicitors serving equity release customers nationwide.
- Competitive fixed costs and a clear illustration of the customer journey from the moment you instruct us to payment of your lifetime mortgage or home reversion plan.

At GWlegal, we've been advising clients in Equity Release for over 15 years and are the market leading provider courtesy of our specialist advisory service, GWlifetime. We are a founding member of the Equity Release Solicitors Alliance (ERSA) and are committed to delivering the highest standards of service, with your best interests at heart.

With the help of this brochure, we'll take you step-by-step through the Equity Release process.

The first section explains what happens in the Equity Release process, outlining what you need to do and what we'll do for you.

Our terms and conditions of service provide information about GWlegal and your equity release journey. They include information about how we use your data, our complaints procedure and information about fees.

We appreciate that there is a lot of information to take in, but please take the time to read it all. It could be instrumental in your equity release journey.

First things first

Before you start your Equity Release journey, there are a few important things to do first.

Prior to proceeding with an equity release plan it is essential you receive appropriate advice from a suitably qualified financial adviser.

Speak to the experts

Your financial adviser must obtain a specialist qualification to offer advice on equity release products. This ensures that they will make a detailed assessment of your circumstances in order to determine if an equity release plan is the best option for you and if so, which plan is best suited to your needs.

As well as financial advice, you need to consult an independent legal adviser who is familiar with equity release plans. GWlegal are specialists in equity release legal advice and will report to you on the nature, effects and implications of your chosen plan.

It's good to talk

We recommend that you discuss your Equity Release plan with your family.

Releasing funds from your home could impact on your loved ones' inheritance. The value of your estate will be reduced as the equity release loan will need to be repaid from your estate proceeds usually by selling your home. By informing family at the beginning you can avoid misunderstanding or upset in the future.

Benefit check

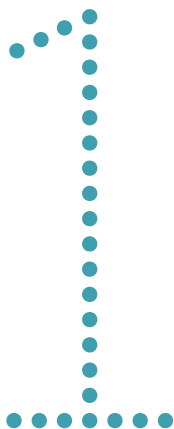
An Equity Release plan could affect your current or future entitlement to benefits. Before you commit to an equity release plan, you should check with the Department of Social Security, the Citizen's Advice Bureau and/or your local authority to see whether taking equity release affects your entitlement to benefits.

What is Equity Release?

Equity Release gives you the opportunity to release funds from your property whilst continuing to live there.

There are two main types of Equity Release Plans:

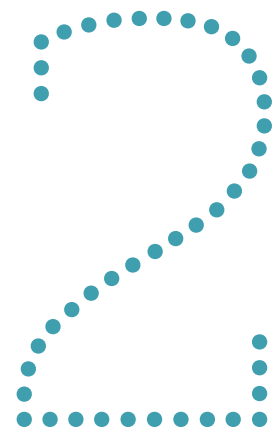
Lifetime Mortgage Plans



With this plan you agree to take out a loan based on the value of your home. The loan is secured on your home, but there are usually no monthly repayments to make (any interest due on the loan rolls up each year). The loan is repaid when your home is finally sold (usually when you move into long term residential care or after your death). Loans provided by members of the Equity Release Council are usually provided with a fixed rate of interest so an illustration will be provided to show the value of the mortgage debt in the future. More recently equity release plans are available with the option to repay interest or a proportion of the total loan each year. Your financial adviser should explain the options available to you.

Home Reversion Plans

With this plan you agree to sell a certain percentage of your home to a reversion company for a fixed amount. There is no loan to repay, however when the property is sold the reversion company receives the same percentage of the sale proceeds as it put in. For example, if the reversion company purchases 50% of your property it will be entitled to 50% of the sale proceeds even when the value of your home has increased. With this plan you retain the right to live in your home for the rest of your life, usually under a registered legal lease for life.



Things you must consider about Equity Release products

Equity release is a complex and life-changing decision, so it's vital that your plan is suited to your needs.

Your adviser should explain both schemes – home reversions and lifetime mortgages – as well as discussing the interest rates and how the debt grows, downsides and limitations of equity release and how this can change future options.



Product explanation

You will be aware that house prices can go up as well as down and the cost associated with setting up your equity release plan will have an impact on the amount of equity you retain in your property at any time.

Equity release schemes let you drawdown cash from your property and remain in your home. You can take the amount as a lump sum, or take some now with the option to make additional drawdowns later. However, with interest rates between 4% and 7% the debt will grow and can double in just 10 years.

Exit penalties

Equity release schemes are designed to end when you die or permanently leave your property, for example when entering permanent residential care. If you want to quit the scheme early you will usually have to pay an early repayment charge.

Alternatives

Equity release can be expensive. Therefore it is essential to consider other options such as downsizing or borrowing money from family members. Your financial adviser should outline and consider all of these options with you.

Identification

We must check the identity of all our clients under the Money Laundering Regulations 2007 for any regulated work that we do. The rules and guidance from the Equity Release Council require us to meet with you during the process.

We will use this opportunity to verify your I.D and to ensure your identity is protected at all times.

This meeting will occur once your mortgage offer has been received.



Our requirements are as follows:

We require one of the following forms of identification per person from list one and two from list two here:

Important

Any photo ID must be clear and legible otherwise you may be required to resubmit.

Any proof of residence identification must be dated within 3 months of the file instruction.

Please ensure when sending or returning items by Special/ Recorded Delivery, your full reference number is quoted on the envelope.

List one: Photo I.D.

- Valid passport
- Valid photo driving licence with current address
- A current, signed passport issued by a Non EEA Country with either a passport stamp or a letter from the Home Office giving an indefinite right to reside in the UK.

List two: Proof of Residence

- Utility bill
- Bank or credit card statement
- Official government/ agency correspondence

Common causes of delay

In order to ensure that this matter proceeds smoothly, we have listed a number of areas which are common causes for delay below. This list is not exhaustive but will highlight situations where we will undoubtedly require provision of important information as early as possible.

1) Unregistered Title Deeds - If you believe that your property is not registered at The Land Registry then we will need to inspect your title deeds. Please send these to us by recorded or special delivery.

2) Enduring or Lasting Power of Attorney - If you have appointed someone to act as your representative under an Enduring or Lasting Power of Attorney then you must inform us as soon as possible. If the document is registered at the Court of Protection then we will need to receive the original court stamped copy before proceeding any further. Please note that an attorney will only be able to act for you where you do not possess sufficient capacity to act for yourself. In this event we will need your doctor or consultant to confirm your lack of capacity before proceeding.

3) Leasehold Property - We will usually need to contact your free holder or managing agent to confirm that Ground Rent and any Service Charges are up to date. Even if you have not been requested to pay these charges we may still need to provide the original copy of the lease to the lenders solicitors. If you are in possession of the lease please forward this to us.

4) Property subject to a Trust - In some circumstances legal ownership of your property may be subject to a trust. The majority of providers will require details of this trust and may in some circumstances be unable to lend until the trust has been either revoked or varied by way of a Deed of Variation. It is therefore essential that any information relating to a trust affecting your ownership of the property is provided to us at the earliest opportunity.

5) Un-discharged Mortgages - Often, mortgages paid off many years ago remain un-discharged by the old mortgage provider. This may be a result of their offer to store your deeds for you or may be for another reason. It is essential that any un-discharged mortgages are removed from your title in time for completion of the equity release matter. Please inform us if this is the case. In addition, for any existing mortgages which are being repaid, please forward your most recent mortgage statement to us and we will contact the provider to request an up to date redemption statement from them.

6) Buildings Insurance Schedule - We will need to provide information regarding your buildings insurance to your equity release provider. Please ensure that you have a copy with you of your schedule available for our home visit.

What is Equity Release?

Equity release gives you the opportunity to release funds from your property whilst retaining legal ownership and continuing to live there.

Is Equity Release the best option for me?

Ask your financial adviser what options are available to you. Your financial adviser is qualified and regulated to determine whether equity release is suitable for you and what plan best suits your needs. We are not regulated to do so and we can't assist or advise you on this.

Who can take out an Equity Release plan?

To take out an Equity Release scheme, you must be:

- Aged 55 – 95 (if it is a joint application, both people must be in this age range)
- Own a home worth £50,000+
- Live in England and Wales

How long will it be before I receive my money?

Every case is different but usually it takes between four and eight weeks from the date of your application to the day you receive your money.

How do I receive my money?

You have a choice about how you receive your money. You can either receive it in one lump sum, or in a series of drawdown payments from an agreed cash reserve. Please speak to your Introducer for advice about which option is best for you.

When do I have to pay back the Equity Release loan?

An Equity Release loan is usually paid back when you die or go into long term residential care. This is why we recommend discussing, or informing, your loved ones about it as it will impact on their inheritance.

Can I repay the Equity Release loan early?

Yes you can, although certain equity release plans will carry a clause stipulating that repaying the loan early may result in you incurring early repayment charges which can be expensive.

Can I borrow more at a later date?

This will depend on the amount of your existing mortgage, the value of the property, your age and other factors. For this reason, if you anticipate that you will require additional funds in the future you should discuss this with your Introducer prior to agreeing on a plan.

What happens if my health deteriorates?

Many of our clients undertake an equity release plan as a means of extending the time they can live in their own home. Where physical or mental incapacity begins to impact on a person's ability to manage their own affairs, it can be extremely beneficial for a family member or close friend to be appointed to act for you under a registered Lasting Power of Attorney (LPA). An LPA could enable your attorney to make further withdrawals from your existing plan, or even take out a further plan to support your continued occupation of your home. GWlegal can advise you further on the benefits of an LPA and produce and register the document for you.

Does an equity release plan stop me moving house?

No, an equity release plan does not stop you from moving home. However, it can add complications to the move as there are certain conditions and criteria your new property must meet in order to transfer the loan. For example: if your new property costs less then you may have to repay some of the loan.

What happens if I go into care – can my partner still live in the house?

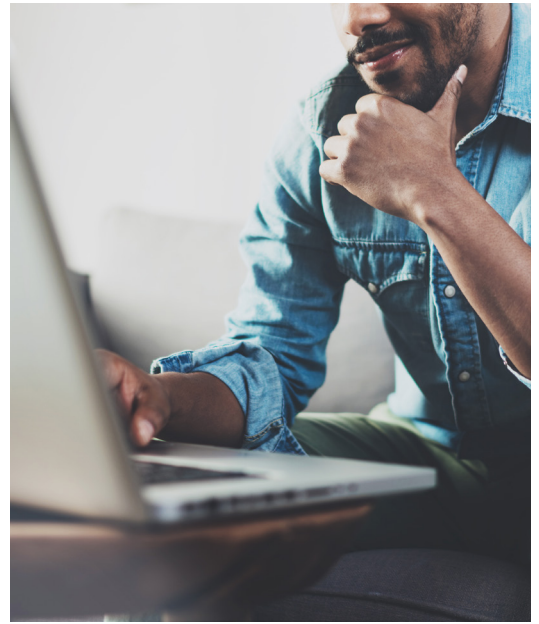
A remaining partner can continue to live in the property provided you have taken out a joint plan.

What happens if the property value has reduced?

As long as the equity release plan you take out is offered by a member of The Equity Release Council (ERC) then it will have a no negative equity guarantee. This means that even if the value of your property falls below the amount owed, you will never owe more than the value of your property.

The GWaccount

Stay up to date with your case as well as upload documents, make payments and ask any questions you have...even when the office is closed with your own GWlegal account.



By creating an account, you'll be able to:

- View and update account details
- View case progress
- Send messages relating to a case
- Make payments relating to a case
- Leave feedback
- Upload documents

We believe that by enabling you to have access to your case and understand the key milestones which have been or need to be completed will not only improve your experience but also help speed up your case.

→ Set up your account at gw.legal/account



If our dedicated team of experts can offer any assistance we'd be delighted to hear from you



0345 373 3737



gw.legal



We're a **social** bunch...

- ✓ facebook.com/GWlegalUK
- ✓ twitter.com/GWlegal
- ✓ instagram.com/GWlegal
- ✓ pinterest.co.uk/GWlegalUK

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