



## about this lifetime mortgage

Personalised information on a lifetime mortgage For Mr Michael Smith and Mrs Margaret Smith  
Date produced 11/12/2015  
Reference number 11478 (CB)

This illustration is not guaranteed and is only valid on the day it is produced.

**This is not a legally binding mortgage offer and it does not oblige Pure Retirement Limited to provide you with the mortgage described in this illustration.**

### 1. About this Information

- We are required by the Financial Conduct Authority (FCA) - the independent watchdog that regulates financial services - to provide you with this illustration.
- All firms selling lifetime mortgages are required to give you illustrations like this one, that contain similar information presented in the same way.
- Ask for other illustrations if you want to compare this lifetime mortgage with lifetime mortgages from other lenders.
- The Money Advice Service provides useful information on lifetime mortgages and other ways of releasing equity from your home in a booklet called "Raising money from your home". You can get this free through the Money Advice Service website [www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk) or by calling 0300 500 5000.

### 2. Which service were you provided with?

✓	<b>Age Partnership recommends having assessed your needs</b> that you take out this lifetime mortgage.
	<b>Age Partnership are not recommending</b> a particular lifetime mortgage for you. However, based on your answers to some questions, Age Partnership are giving you information about this lifetime mortgage so you can make your own choice, or find out other ways in which you may be able to release equity from your home.

### 3. What is a lifetime mortgage?

Important information from the Financial Conduct Authority:

- A lifetime mortgage is a special type of loan which is usually designed to run for the rest of your life, and which means that you borrow money that is secured on your home to give you a lump sum or a regular income. The amount you owe to the lender is usually paid back from the proceeds of the sale of your home after death. If you are borrowing with someone else this would be after the death of the last borrower. Any money left over would be paid to your beneficiaries.
- If you buy a new home, you may be able to transfer your lifetime mortgage to your new home, or you may be able to get a new lifetime mortgage. Otherwise you will usually have to repay the amount you owe to the lender from the money you get from the sale of your home. Any money left over belongs to you.
- If you move into sheltered accommodation or long term care you will usually have to repay the amount you owe to the lender from the money you get from the sale of your home. Again, any money left over belongs to you. If you are borrowing jointly with someone else and one of you needs to move into long-term care, you don't usually have to sell your home until the last borrower either dies or moves into long-term care or another property.
- If you decide that you simply don't want the lifetime mortgage any more, you can repay the amount you owe to the lender at any time but the lender may make an Early Repayment Charge if you do. Section 13 of this illustration will tell you if any Early Repayment Charges apply to this mortgage.
- Some lifetime mortgages are linked to an investment – this means you borrow a lump sum which is invested (for example in an annuity) to give you a regular income. If this happens the full details of the investment will be shown in a separate document and it is important to read both documents together.

#### 4. What you have told us

- You want an illustration for a Pure Retirement Drawdown lifetime mortgage.
- You want a cash facility of £61,500.00.
- You want a cash facility of £61,500.00 with an initial advance of £61,500.00. You can drawdown in full or in part the remaining facility 6 months after you have received your initial advance. You can exercise this drawdown as many times as you want provided you do not exceed the cash facility and subject to a minimum withdrawal of £5,000 each time unless there are exceptional circumstances as described in section 5.
- The loan amount will be £61,500.00 plus £895.00 for fees that have been added to the loan – see Section 11 for details. These and the additional fees that you need to pay are shown in section 11.
- Your home is worth about £150,000.00\*.
- You own your home and it is your main residence.
- You are a 71 year old male and a 71 year old female.

**\*The Valuation that will be carried out on the property, and changes to any of the information you have given us, could alter the information elsewhere in this illustration. If this is the case ask for a revised illustration. The valuation will also be used to confirm that your property meets our lending criteria.**

## 5. Description of this mortgage

This illustration is for a Pure Retirement Drawdown lifetime mortgage.

This lifetime mortgage will provide you with a cash advance at the start of the loan and a drawdown facility which you may be able to draw cash from 6 months from the date of the initial advance. This is subject to a minimum withdrawal of £5,000 or withdrawal of the remaining facility if less than £5,000 of the cash facility is remaining.

Your mortgage includes a cash facility as discussed with your adviser and shown in section 4 above. You can apply to us directly to exercise the drawdown facility up to the amount of the overall cash facility without further financial advice. This drawdown facility is not guaranteed and we may remove or reduce this facility at any time. This drawdown facility will be made available in accordance with the Terms and Conditions and will incur interest at rates available from Pure Retirement at the time.

### **Additional borrowing**

Applications for further borrowing are allowed subject to your property value, the then current lending criteria or the lending criteria of any person to whom we have sold or transferred our rights under the mortgage and will be at the prevailing rates at the time of the application. This is additional borrowing and is separate from any drawdown facility that you may have used.

### **Repayment of the loan**

You do not have to make any repayments during the life of this lifetime mortgage.

The amount you owe, including all of the interest and charges due to Pure Retirement will be repaid from the sale of your home. This will happen on your death (or the death of the last borrower) or if you (or the last of you when more than one borrower) have left your home permanently, for example to move into a care home, or to be cared for by relatives. Any money left over would be paid to you or your beneficiaries.

### **Interest Rate**

The interest rate is a fixed rate of 7.09%, fixed for the life of the lifetime mortgage. Each time the drawdown facility is exercised, the interest rate applicable to that drawdown is the Pure Retirement fixed rate being charged at the time, but only on the extra amount borrowed. The interest is calculated daily and added to the loan monthly.

### **Estimated term**

We have based this illustration on an estimated term of 17 years but remember that the term of this lifetime mortgage is not fixed and could be longer or shorter than 17 years. If you are still living in your home at the end of 17 years, the lifetime mortgage will continue to run.

### **Maximum amount**

The maximum amount you may borrow is £61,500.00 which you have elected to take either as one lump sum, or as a smaller lump sum plus further smaller amounts until the cash facility has been fully depleted.

### **Restrictions**

This product is only available to borrowers aged 65 and over. Minimum loan is £45,000.00 and minimum property value is £70,000.00.

<b>6. Benefits</b>	
This lifetime mortgage will provide an advance of	£61,500.00
<b>Other benefits</b>	
<b>Other benefits and incentives</b>	
The following incentives will be paid to your solicitor at completion:	
A contribution towards your legal fees of:	£600.00
A contribution towards your advice fee of:	£500.00
This lifetime mortgage has a "no negative equity" guarantee that applies provided you do not materially breach the terms of the cash facility or mortgage. This means that:	
<ul style="list-style-type: none"> <li>• You can carry on living in the property even if the amount you owe under your lifetime mortgage becomes more than the value of your home.</li> <li>• When the lifetime mortgage is repaid (for example if you move house or on your death) you or your beneficiaries will not have to repay more than the amount your home is sold for even if the amount owed is higher. Please note that the no negative equity guarantee only applies if the lifetime mortgage is repaid upon the sale of the property; it does not apply if the lifetime mortgage is repaid using other sources of funds and the property is not sold.</li> </ul>	
If the no negative equity guarantee is used, the value of your home will be assessed by an independent valuer.	
There is no extra charge for this guarantee.	

## 7. Risks - important things you must consider

1. The FCA requires that we provide you with an illustration based on a certain term. The actual term of your lifetime mortgage may be longer or shorter than this. If it is longer the amount you will owe will be greater. Please ask your adviser if you would like another illustration based on a different term.
2. An Early Repayment Charge will be payable if you vacate the property other than following your death (or the survivor's death in the case of joint borrowers) or you (or the survivor when more than one borrower) moving into long term care.
3. Remember your circumstances might change after you take out this mortgage.
4. Inflation may erode the value of any unused cash facility over time.
5. Pure Retirement (or any person who has the benefit of your mortgage at the relevant time) has the right to take legal action to repossess your home for the following reasons:
  - You do not repay everything you owe when required under the conditions of your cash facility and mortgage. For example, if the amount owed under your lifetime mortgage is not paid within 6 months of your death (or the death of the last borrower) or when you (or the last of you when more than one borrower) permanently leave your home, for example to move into a care home or to be cared for by relatives. However, at our discretion, we may appoint you or your personal representatives as our agent to market the property on our behalf for a period of a further 6 months in these circumstances.
  - You become bankrupt.
  - You leave your home continuously unoccupied for more than 3 months without our permission.
  - You do not comply with the terms of the loan agreement or mortgage deed in a serious way.
  - We find out that you gave us false, incomplete or misleading information when you applied for the lifetime mortgage and we reasonably believe this made a significant difference to our decision to lend to you.
  - If a Compulsory Purchase Order is made for the property.
6. If negative equity arises, this will be dealt with under the "no negative equity" guarantee as set out in Section 6 above.
7. If you move home and want to transfer this lifetime mortgage to the new property, you can do so if the new property meets our lending conditions (or, in the event that we have transferred the benefit of your mortgage to another Lender then their lending conditions) at that time. You will have to pay fees, including an administration fee and our and your legal expenses in respect of the new property. We may ask you to repay part of the amount outstanding on the lifetime mortgage if for example, the new property is of a lower value. If the new property does not meet our property criteria you will have to repay the mortgage.
8. If you are single and you (or if you are a couple, you both) move out of your home into permanent long-term residential or nursing care, the lifetime mortgage must be repaid (see Section 13). This can be repaid from your own funds or from the sale of your property. The no negative equity guarantee will only apply if the property is sold.
9. If, due to circumstances other than those set out at 8 you permanently leave your property the lifetime mortgage must be repaid and an Early Repayment Charge paid (see Section 13). This can be repaid from your own funds or from the sale of your property. The no negative equity guarantee will only apply if the property is sold.

10. You must keep your home in good repair. We have the right to inspect the property and get any repairs done, but we will tell you first if we intend to do this. The cost of any repairs that we have to arrange will be added to the amount you owe on this mortgage.
11. Taking out this mortgage may affect your ability to claim social security benefits, and may also affect your tax position. Tax and social security benefits may change and you should consider seeking further advice from HM Revenue & Customs, the Pension Service, Benefits Agency or your local Citizens Advice Bureau.
12. Once the mortgage has been set up, you may be able to add another person to it if your circumstances change. However you will need to apply to us to make this change and the application will be subject to our underwriting policy.
13. If you want someone else to move into your home to live with you, for example upon marriage/formation of a civil partnership, or where someone acts as your carer, you must first get us to agree before they move in and they may have to sign a waiver. Otherwise this will breach the terms of your mortgage. Any persons that are currently residing at the property and are not party to the cash facility may have to sign an acknowledgement waiving any rights they may have in the property, in order to continue living in the property.
14. The drawdown facility is not guaranteed. Circumstances in which the cash facility may be reduced or removed include without limitation:
  - Where the total of all cash advances exceeds the maximum amount available at the time of applying to use the drawdown facility, based on your age and property at that time.
  - Where the total of all cash advances plus rolled up interest and other charges exceeds the value of the property against which the mortgage is secured.
  - Where the lender withdraws the drawdown facility due to changes in regulation or for any other commercial reason.
  - Where the loan is transferred to another lender that does not offer the drawdown facility.

**CHECK THAT THIS MORTGAGE WILL MEET YOUR NEEDS IF YOU WANT YOUR FAMILY OR OTHERS TO INHERIT YOUR HOME. IF YOU ARE IN DOUBT, SEEK INDEPENDENT LEGAL AND FINANCIAL ADVICE.**

## 8. What you will owe and when

This shows how the amount(s) paid to you and the interest and any fees we charge mount up over 17 years. It has been calculated using the current interest rate of 7.09%. Interest is added to the amount you owe monthly. Remember that the mortgage could run for a longer or shorter time than 17 years, and if it runs for longer, the amount you owe will carry on increasing.

<b>Year</b>	<b>Balance at start of year £</b>	<b>Amount paid to you during the year £</b>	<b>Interest charged at 7.09% £</b>	<b>Fees charged during the year £</b>	<b>What you owe at the end of the year £</b>
1	61,500.00	0.00	4,570.42	895.00	66,965.42
2	66,965.42	0.00	4,905.21	0.00	71,870.63
3	71,870.63	0.00	5,264.52	0.00	77,135.15
4	77,135.15	0.00	5,650.14	0.00	82,785.29
5	82,785.29	0.00	6,064.01	0.00	88,849.30
6	88,849.30	0.00	6,508.18	0.00	95,357.48
7	95,357.48	0.00	6,984.92	0.00	102,342.40
8	102,342.40	0.00	7,496.57	0.00	109,838.97
9	109,838.97	0.00	8,045.70	0.00	117,884.67
10	117,884.67	0.00	8,635.05	0.00	126,519.72
11	126,519.72	0.00	9,267.55	0.00	135,787.27
12	135,787.27	0.00	9,946.42	0.00	145,733.69
13	145,733.69	0.00	10,674.98	0.00	156,408.67
14	156,408.67	0.00	11,456.92	0.00	167,865.59
15	167,865.59	0.00	12,296.15	0.00	180,161.74
16	180,161.74	0.00	13,196.84	0.00	193,358.58
17	193,358.58	0.00	14,163.53	125.00	207,647.11

### **9. Will the interest rate change?**

The interest rate charged on each advance is fixed on the drawdown of that advance and will not change for the life of the lifetime mortgage. The relevant interest rate for each advance or drawdown is fixed at the prevailing rate at that time.

### **10. How the value of your home could change**

When you look at how the amount you owe goes up, remember also that property prices can go up or down, and this can affect the amount of money left over for you or your estate after the mortgage is repaid to Pure Retirement Limited.

Based on the estimated value of your home now of £150,000.00 this example shows what the value of your home would be after 17 years if the value went up by 1% each year or went down by 1% each year. Remember also that the mortgage may run for more or less than 17 years. This is an example only and gives no guide to how much the value of your home will actually change.

If your home went up in value by 1% each year it would be worth £ 177,645.66 after 17 years.

If your home went down in value by 1% each year it would be worth £ 126,441.48 after 17 years.

<b>11. What fees must you pay?</b>	
<p><b>Fees payable to Pure Retirement Limited</b></p> <p><b>Valuation fee</b> There is no valuation fee.</p> <p><b>Arrangement fee</b> This fee is payable at the time of completion. You have asked for it to be added to the loan. This fee is non refundable.</p> <p><b>Redemption fee</b> This is the current fee, payable on redemption of the mortgage. Non refundable.</p> <p>The lender may make a charge for services that you ask the lender to provide during the life of the lifetime mortgage. A full tariff of charges is available upon request.</p>	<p>Fee Amount</p> <p>£0.00</p> <p>£895.00</p> <p>£125.00</p>
<p><b>Other Fees</b></p> <p><b>Estimated legal fee</b> A non-refundable legal fee must be paid to your solicitor before the start of the mortgage. The figure quoted here is an estimate - the total fee may be higher or lower. Pure Retirement Limited's own legal fees are included within the arrangement fee. However, in some cases, such as where title insurance is used, leasehold properties, unregistered properties or property purchase, additional legal fees and disbursements may be incurred, which will be payable by you. The amount of these additional charges will be deducted from the advance by our solicitor before sending the money to your solicitor. Your solicitor should explain this to you.</p> <p>Pure Retirement will contribute £600.00 towards your legal fees at completion. This will be paid to your solicitor. You will be responsible for paying any additional costs. If you decide not to complete this lifetime mortgage then you will be responsible for any legal fees incurred.</p> <p><b>Adviser fee payable to Age Partnership</b> Your adviser has advised us that they will be charging you a fee for their services. If you have any queries with this please discuss this with your adviser.</p> <p>Pure Retirement will contribute £500.00 towards your adviser's fee at completion. This will be paid via your solicitor. You will be responsible for paying any additional costs. If you decide not to complete this lifetime mortgage then you will be responsible for your adviser's fees incurred.</p> <p><b>You may have to pay other taxes or costs in addition to any fees shown here.</b></p>	<p>£600.00 (Estimated)</p> <p>£995.00</p>

## 12. Insurance

### **Insurance you must take out through Pure Retirement Limited or Age Partnership.**

None

### **Insurance you must take out as a condition of this lifetime mortgage but that you do not have to take out through Pure Retirement Limited or Age Partnership.**

We require you to have buildings insurance. We require evidence that this insurance is in place prior to completion and we may request evidence of this remaining in place on an annual basis. The amount of cover required should be at least that of the estimated rebuild cost and this should be index linked

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

#### Early Repayment Charges

Your lifetime mortgage is designed to be repaid when you (or both of you if there are two applicants) have died or have to permanently leave your home because you need long term residential care. If you repay your lifetime mortgage at any time before that for any other reason you may have to pay a substantial Early Repayment Charge when you repay.

The Early Repayment Charge is calculated to recover the costs that we incur when setting up the lifetime mortgage together with any loss to us due to a fall in the long term interest rates. It will vary according to your age(s) at the time of repayment.

The Early Repayment Charge will reflect any change in the the interest rates on government borrowing or gilts. This will be measured using the FTSE UK Gilts 15 Year Yield Index.

If this index is lower than the Benchmark Rate for your loan then an Early Repayment Charge will be payable. The lower the index falls the higher the repayment costs will be.

If the index is higher than the Benchmark Rate then no such charge is due.

The Benchmark Rate for your loan will be shown in the offer document. The current Benchmark rate is 2.59%. The Benchmark Rate is higher than the index to cover the set up costs of the mortgage. This means that if the index stays the same a charge will be payable as illustrated below.

At the time you decide to repay this lifetime mortgage in full, an Early Repayment Charge will be calculated by multiplying (1) x (2) x (3) below:

- (1) The difference between the Benchmark Rate for your mortgage and the index at the date of repayment
- (2) The term until the younger surviving borrower reaches age 90 (or 5 years if greater)
- (3) The amount of your mortgage that you repay including all interest and charges

Here are some cash examples of the charges if you repay the whole of your lifetime mortgage early

You repay your loan in year	Index rises by 1%	Index stays the same	Index falls by 1%
1	£3,200.00	£6,715.69	£18,434.64
5	£740.00	£4,338.40	£16,333.06
10	£125.00	£3,351.26	£14,105.44
15	£125.00	£2,827.43	£11,835.52
20	£125.00	£3,973.21	£15,723.75
25	£125.00	£5,604.78	£15,723.75
30	£125.00	£7,928.10	£15,723.75

The charge may be different to the examples shown here and could be more or less, for example for repayment at different times or if the term of your lifetime mortgage is longer than we have shown in the table above.

The maximum Early Repayment Charge that you would have to pay on the initial cash advance is £18,673.75 plus the redemption fee which is currently £125.00. This excludes any Early Repayment Charge that applies to any drawdown under the drawdown facility.

A Benchmark Rate will also be applied to each drawdown under the drawdown facility and any Early Repayment Charge will be based on this rate using the calculation above.

An Early Repayment Charge will also apply to partial repayments using the above calculation on a pro rata basis.

An explanation of how we calculate our Early Repayment Charge is included in the Pure Retirement Drawdown Lifetime Mortgage Early Repayment Charge Guide.

The actual Early Repayment Charge payable at the time of you wanting to repay your mortgage loan will be made available to you on request. You can also find this information on your annual statement. If you move home and want to transfer this lifetime mortgage to the new property, you can do so if the new property meets our lending conditions (or, if we have transferred the benefit of your mortgage the lending conditions of any person who has that benefit) at that time, as described in Section 7.

Please see your Cash Back Terms and Conditions for repayment of the Cash Back

#### **Circumstances in which Early Repayment Charges do not apply**

You will not have to pay an Early Repayment Charge if:

- The lifetime mortgage is repaid because you are moving home and intend to transfer this lifetime mortgage to your new property, or if the mortgage is repaid from the sale of your property after moving into long term care, residential care or sheltered accommodation, or if the mortgage is repaid from the sale of your home after death.
- If you move home and want to transfer this lifetime mortgage to the new property, you can do so if the new property meets our lending conditions at the time. If the new property is of a lower value, we may ask you to repay part of the amount outstanding on the mortgage.

Please see your Cash Back Terms and Conditions for repayment of the Cash Back

If any part of this section is unclear to you, you should contact your adviser.

## 14. Additional features

### Partial repayments

Partial repayments are allowed subject to a minimum amount of £5,000 and subject to a minimum of £25,000 remaining outstanding on the loan. Partial repayments may be subject to an Early Repayment Charge.

### Additional borrowing available without further approval

In addition to the initial advance provided at the start of your Pure Retirement Drawdown Plan, a drawdown facility has been approved.

- Your initial advance is £61,500.00
- Your drawdown facility is £0.00

Your drawdown facility is the difference between the amount we have agreed to make available to you (i.e. the cash facility) and the initial advance on which this illustration is based.

At any time after the first 6 months from completion of the plan, you may apply to borrow any amount between £5,000 and the remainder of your drawdown facility. If the amount remaining is less than £5,000, then you will have to borrow this amount when you next apply.

The drawdown facility will be made available on the basis set out in section 5 and the interest rate that applies to the drawdown facility is explained in section 9.

Each time you wish to borrow, we will send you a statement which will advise of the current interest rate and the APR.

Each time you release cash from your drawdown facility this will increase the amount outstanding on this lifetime mortgage and the amount of borrowing secured on your home.

The following example is based on the current interest rate of 7.09%. It shows how your lifetime mortgage could change over the example term of 17 years if you borrowed the whole of your cash facility at the completion date of your lifetime mortgage. Remember the mortgage could run for a longer or shorter time than 17 years and if it runs for longer, the amount you owe will carry on increasing. This example also shows the maximum Early Repayment Charge which could apply.

<b>Loan amount</b>	<b>What you will owe at the end of 17 years</b>	<b>Maximum Early Repayment Charge</b>
£61,500.00	£207,647.11	£18,673.75

Any additional borrowing must be repaid in full at the same time as the initial advance you received at the start of the lifetime mortgage.

### 15. Overall cost of this mortgage

The APR helps you to compare lifetime mortgages by giving you one rate that shows the overall cost of the mortgage. It takes into account some fees and charges as well as the interest due, and this means that the APR may be higher than the interest rate shown in Sections 5 and 8. Only use the APR to compare lifetime mortgages of the same type, and where the same example term is used.

The total amount you would pay back over the example term of 17 years including the amount borrowed is:	£207,647.11
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<b>The overall cost for comparison is:</b>	<b>7.6% APR</b>
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### 16. Using a Mortgage Intermediary

Pure Retirement Limited will pay Age Partnership an amount of £1,845.00 in cash and benefits if you take out this lifetime mortgage. In addition, they will make a contribution of £500.00 towards the advice fee at completion as noted in Section 11.

### 17. Contact details

If you wish to discuss this lifetime mortgage illustration please contact Age Partnership at 2200 Century Way, Thorpe Park, Leeds, West Yorkshire, LS15 8ZB or on 08080 555 500.