

Adviser guide to equity release



Porting

Porting of an existing lifetime mortgage can sometimes be the best option for a customer, though the mechanics of this can often be a source of confusion amongst advisers and customers alike.

Details Request

- Lender receives the initial porting query and requests full details of new property and proposed transfer date

Preliminary Assessment

- Underwriter performs preliminary assessment using current property criteria

Porting Letter

- If new property is acceptable, a porting letter similar to a KFI is sent out to the customer. This illustrates the costs which will be incurred over the estimated term of the mortgage, including any partial repayments to the loan which are required
- Partial repayment is calculated using the total amount owed on the mortgage at present, and the total max loan available (based on the new property value and the LTV parameters of the loan product)

Application Form & Valuation Fee

- Lender sends an application form for the customer(s) to complete and requests that the valuation fee is paid upfront
- Once received, lender instructs the valuation and engages their solicitor to act on their behalf in the purchase of the new property

Survey & Porting Offer

- Survey is conducted and if the property is acceptable, lender will calculate what partial repayment is required (if any) and produce a Porting Offer
- Porting Offer will state the transfer date and the partial repayment required (if applicable). Bank details are given alongside the offer for transfer of the partial repayment. There may also be an administration fee to be paid to the lender

Signed Offer & Partial Repayment

- Customer signs porting offer and returns it to lender
- On the transfer date, the customer's solicitor notifies the lender that they have paid the partial repayment and the administration fee
- Customer's solicitor may charge a bank transfer fee for the transfer of partial repayments

Change of Address

- Lender confirms payments have been made and changes the address on the customer's account, applying the partial repayment to the loan (if applicable)
- Lender sends a letter to the customer confirming that the transfer has taken place
- If for any reason the transfer does not take place on or before the transfer date, the lender will obtain the new transfer date and recalculate the partial repayment accordingly
- Once completed, the lender's solicitor will register the lender's charge on the new property, and the lender will instruct the land registry to remove their charge from the old property



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