

# Fees and Charges



# Introduction

The Equity Release Council has always supported the use of clear, simple and uniform language. Its product standards, which sit at the heart of its rules and guidance, were devised to ensure that good consumer outcomes were both achieved and easily understood.

Financial products and the contracts that underpin them are inherently complex, but that does not excuse the use of complex language. It places a responsibility on the entire industry to ensure the terms it uses are transparent and understandable. That's why the Council has produced this guidance.

In this document, we have set out a consistent way of describing fees and charges using clear, simple, and standardised language that is easy to understand. The aim is to make it easier for consumers to compare products and their associated costs across the industry.

The Council is encouraging its members to adopt the language outlined in the guide when describing fees and charges. The guide is also available to non-members to encourage adoption across the industry.

It would be anticompetitive and therefore unlawful for the Council to dictate its members' fees and charges. However, individual firms are encouraged to create a version of this guide that includes exact costs.

The guide was produced in collaboration with a working group made up of Council members, including advisers, providers and legal experts, but the work does not stop here.

The Council and its members are committed to ensuring that high levels of consumer understanding go hand in hand with the high levels of consumer protection the Council's rules and guidance deliver.

**Members should consider this guidance alongside Part B of the Council's overarching standards which sets out good practice for members.**



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## Fee or charge that may be payable on or before completion of your mortgage or further advance.

Type of fee/charge	Description of the fee/charge
Advice fee	Covers the adviser's costs for providing advice relating to your lifetime mortgage. This fee will vary depending on your chosen adviser.
Arrangement fee	Covers the lender's costs for setting up your lifetime mortgage.
Funds transfer fee	Covers the lender's costs for transferring the mortgage funds to you or your solicitor.
Legal fee	Covers the independent solicitor's costs for providing legal advice in relation to your lifetime mortgage. This fee will vary depending on your chosen legal adviser.
Valuation fee	Covers the lender's costs for valuing the property. The valuation is for the lender's purposes only.



## Fee or charge that may be payable if you alter your mortgage or your circumstances change.

Type of fee/charge	Description of the fee/charge
Early repayment charge on part repaying your mortgage	You may have to pay this charge if you overpay more than your mortgage terms allow, (if you make an overpayment higher than your agreed product limit) or you repay the mortgage early.
Additional borrowing arrangement fee	Covers the lender's costs in the event of setting up additional borrowing on your lifetime mortgage.
Additional statement fee	Covers the lender's costs for providing an additional mortgage or redemption statement.
Change of ownership fee	Covers the lender's administration costs when adding or removing someone from the mortgage.
Consent to let fee	Covers the lender's costs where permission has been given to let the property or part of the property.
Insurance arrangement fee	You must insure your property against loss or damage. If you don't the lender might need to insure it for you. This fee covers the costs of arranging this insurance, if this is necessary.
Lease extension fee	Covers the lender's costs of administering an extension to the lease, in the event that this is necessary.

<b>Moving home arrangement fee</b>	Covers the lender's costs in the event of transferring your lifetime mortgage to a new property.
<b>Part sale of land fee</b>	Covers the lender's administration costs if you wish to remove part of the property or land from the mortgage.
<b>Specialist report fee</b>	Covers the lender's costs in the event that a property specialist report is required.
<b>Property visit fee</b>	Covers the lender's costs if a visit is necessary to establish the condition of the property and/or validate occupancy.
<b>Reinspection fee</b>	Covers the lender's costs when a valuer has to make an additional visit to a property.
<b>Remote valuation fee</b>	Covers the lender's costs for a remote valuation of the property. The valuation is for the lender's purposes only.
<b>Repossession charge</b>	Covers the lender's costs in the event that it has to take possession and sell your property.
<b>Revaluation fee</b>	Covers the lender's costs in the event that a valuer has to revalue your property. The valuation is for the lender's purposes only.
<b>Specialist report fee</b>	Covers the lender's costs in the event that a property specialist report is required.
<b>Unpaid ground rent/ service charges admin fee</b>	Covers the lender's costs for administration relating to unpaid ground rent or service charges.



### Fee or charge that may be payable at the end of your mortgage.

Type of fee/charge	Description of the fee/charge
<b>Early repayment charge</b>	You may have to pay this charge if you overpay more than your mortgage terms allow, or you repay the mortgage early.
<b>Mortgage exit fee</b>	Covers the lender's administration costs when the mortgage is repaid.

