

The Sentry Advice Equity Release Guide



Over 55? Looking to raise tax free funds using the equity in your home? A lifetime mortgage could give you the freedom to enjoy your retirement. Our advisers hold special qualifications to enable them to give advice on equity release and are always available to help.

Types of Equity Release

'Equity Release' is the umbrella term for specialist lending to over 55s in where they can release cash from their homes and retain the right to live in the property until death or entering into long term care. There are two types of equity release products available:

What is a Lifetime Mortgage?

The most popular form of equity release as you will keep full ownership of your property.

Releasing tax free cash to spend on whatever you wish, without the need to make any repayments. The interest payable is rolled up and paid upon death or upon entering long term care.

There is a 'no negative equity guarantee' so your beneficiaries will never be liable to pay anything over the value of your home. You can also include 'inheritance protection' with some plans that will guarantee an agreed percentage of your homes value will be passed down, irrelevant of how much interest is owed.

What is a Home Reversion Plan?

With a home reversion scheme, you sell all or part of your property at less than its market value in return for a tax-free lump sum, a regular income, or both, but stay on in your home as a tenant, paying no rent.

You'll usually only get between 20% and 60% of the market value of your house, depending on your age and state of health.

Home reversion plans are high-risk products. They could have major implications for tax, benefits, inheritance and your long-term financial planning. Please note, Guardian Advice does not give advice on Home Reversion Plans.

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A lifetime mortgage will be secured against your home, it could be repossessed if you do not keep up the mortgage repayments. Sentry Advice Limited are authorised and regulated by the Financial Conduct Authority under the reference number: 624557.
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These are **5 of the most common ‘myths’** associated with equity release. You’ve probably heard several of them yourself...

1. I won’t own my own home any more. So I might lose it.

A surprisingly common misconception. People are regularly relieved to hear that a lifetime mortgage means they remain the owner of their home.

2. I don’t want another mortgage now. I can’t afford the repayments.

The downside of discovering that the most popular equity release product is actually a mortgage! Doubts are often dispelled once learned that no repayments are normally required until the borrower dies or goes into long term care.

3. I don’t want my children to be inheriting a debt.

The ‘No Negative Equity Guarantee’ invariably comes as a pleasant surprise to people with little prior knowledge of equity release products.

4. I won’t be able to leave anything to my children or grandchildren.

We encourage good communication between family members before someone opts for equity release. This gives potential beneficiaries the chance to clarify their true priorities. There is also the option to take up an equity release product with built in equity protection to provide an ‘inheritance guarantee’

5. I might not want to say here forever. Wouldn’t equity release tie me down to this house?

Again, many people are surprised to learn that portable equity release products are available, depending on a number of criteria including the value of the house you may be moving into.



HINT

Lending is based on your age and property value so you can still raise funds with a poor credit history or no income.

For more tips contact us on: **01323 409 849** to speak to a qualified equity release adviser.



REVIEW

“ We were considering taking money from our property to enable our son to purchase a property.

Sentry Advice obtained all of the necessary information from leading providers of this service and explained separately to both my wife and son the important points to consider.

In the event we were unable to proceed as the combined cost of servicing the interest on the lifetime mortgage plus my son’s mortgage was not affordable.

If it were not for Tom Webster’s clear guidance and advice we may well have moved forward unaware of some of the financial consequences. ”

M Brown.
Client

Our customers love us!



See what our customers are saying about us on the leading independent reviews website



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