

MORTGAGES **IN** RETIREMENT



Your Guide to Retirement Mortgages and Lifetime Mortgages

Berkley Vittoria Independent Financial Services Limited

**Freephone
0800 158 3220**

The Retirement Mortgage & Lifetime Mortgage Experts

Welcome to the brochure of **Berkley Vittoria Independent Financial Services Limited**.

We are independent specialists and arrange Retirement Mortgages, Lifetime Mortgages and Interest Only Mortgages.

Unlike many of our competitors we do not believe that Equity Release Schemes are the only solutions available.

We at Berkley Vittoria have a unique approach when assisting prospective clients. We will provide you with brochures, personalised illustrations and comprehensive advice, all without any obligation.

One of our specialist advisers will assess your individual needs and offer you the advice you want either verbally or in writing.

Having given that advice and information we also guarantee not to contact you unless you specifically request us to do so.



We respect the fact that choosing the right retirement mortgage or lifetime mortgage is an important decision and one that should not be rushed into.

Solutions offered to applicants not looking to take out Equity Release

Authorised and regulated by the Financial Conduct Authority (150186)

High Street mortgages available to age 85+

Interest only mortgages available (with qualifying criteria)

Mortgages available with no early repayment penalties

Independent advice available from one of our friendly specialist advisers

**Call Us On
0800 158 3220**

Retirement Mortgages

If you are approaching retirement or have already retired and you are looking for a mortgage or re-mortgage and don't wish to consider equity release schemes, we may have the perfect solution for you.

Maybe you wish to move home, consolidate debts* or replace an existing mortgage that is coming to an end? If so, then why not consider a mortgage into retirement? This will enable you to borrow funds and retain them beyond your normal retirement date (often beyond age 85).



We have access to lenders who will consider you for a mortgage even if your income is derived entirely from pensions, investment income or rental income.

Many people aged over the age of 50 who are looking to take out a mortgage or re-mortgage into retirement find that their own building society or bank cannot assist.

This may be hard to believe when you have a good credit history, equity in your property and in many cases have an exemplary record in paying your current or previous mortgage!



A retirement mortgage is normally the product of choice by applicants who have considered lifetime mortgages but feel it does not suit their needs.

A retirement mortgage tends to appeal to people who do not need to keep the funds for life either because they want a capital repayment mortgage or wish to repay an interest only mortgage by one of these methods:-

- Sale of another property
- Inheritance
- Utilising savings and investments
- Downsizing

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Retirement Mortgages



We have access to high street and specialist lenders who will offer capital repayment mortgages until age 85+ and interest only mortgages until age 95 and beyond.

Rates available from 1.59% fixed (3.12% APRC). Subject to status. Some schemes qualify for a free valuation and legals package.

We have schemes available with no early redemption penalties at any stage.

If you would prefer instead to raise funds on a lifetime basis, then please go to page 4 for further details on the lifetime mortgages we can offer.

*If you wish to re-mortgage to consolidate other non secured debts you should be aware that by taking the mortgage over a longer term, then you may pay back more in interest over the term.

Free written personalised illustrations available on request and with no obligation.

Unlike many of our competitors we do not believe that Equity Release Schemes are the only solutions available to you



If you would like to discuss your personal situation, please feel free to call one of our specialist advisers on

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Lifetime Mortgages

A lifetime mortgage is available to applicants **aged 55+** and allows you to borrow funds on a lifetime basis i.e. you do not have to repay the loan until either the eventual death of the second of you or if both of you have moved into long term care.

Which is the best type of lifetime mortgage for you?



Interest Only Lifetime Mortgages

This type of scheme would best suit clients who have sufficient **surplus income** to be able to service the interest on a monthly basis.

It works in the same way as would a normal bank/building society interest only mortgage.

As you are paying the interest on it each month, the amount owed would never increase, although you would have the facility to stop paying the interest in the future if you so wished.

Lifetime Mortgages Paying Part of The Interest

If don't wish to or cannot afford to pay the full interest on a lifetime mortgage, then the solution could be to **pay part of the interest** with the balance added to the loan.

This would mean that the amount owed would increase year on year but at a much slower rate than if you were making no payments.

Partial payments can be any amount between £25 per month and the full interest.



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Lifetime Mortgages

Lifetime Mortgages With Optional Payments

Would you like to have the flexibility of being able to make **optional payments** on a lifetime mortgage rather than compulsory ones?

We have schemes available where you can repay up to **10%** of the amount borrowed each year without penalty, thus giving you the ability to service the interest on the mortgage or even pay back interest and some capital whilst in other years you might choose to make no payments at all.



Roll Up Lifetime Mortgages

If you would prefer not to make any payments, then you can choose to have all interest added to the loan. This would obviously mean that the amount owed would increase year on year with the equity in the property and any future inheritance you might wish to leave reducing.

You would however still **retain ownership** of the property benefiting from any increase in property prices and could never owe more than the value of the property.



Some Facts About Lifetime Mortgages You May Not Be Aware Of

Schemes available with no early redemption penalties after five years.

Funds can be made available on a draw down basis.

No proof of income required.

Borrowing available up to 50% of the property value.

Can be used to purchase a property or used to release equity from an existing property.

Available on age restricted properties.

Available even if you have a poor credit history.

You can borrow funds for any purpose such as home improvements or simply to enjoy life.

Interest Only Mortgages

Are you looking to take out an **interest only** mortgage or to replace an existing interest only mortgage that is coming to an end?

Many lenders are making it **virtually impossible** for you to take out an interest only mortgage and either do not offer them at all or will not offer them beyond age 65. In addition they expect you to have a minimum amount of equity in the property or a traditional repayment vehicle such as an ISA or endowment.



We have high street building societies and specialist lenders who will take a more flexible approach to interest only mortgages.



There are various lenders that will still consider interest only mortgages, however all will have qualifying criteria.

If the intended method of repayment is that you plan to downsize in the future without the need for a mortgage, then the amount of equity in the property would have to be realistic for you to do so.

Lenders might also allow part of the mortgage to be on a capital repayment basis to increase future equity available for downsizing.

Some lenders insist on a minimum amount of equity such as £100,000 or 50% of the property value.



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Interest Only Mortgages

How Might You Repay An Interest Only Mortgage?

Maybe you have sufficient equity in your property to enable you to downsize and purchase a suitable home in the future without the need for a mortgage?

The minimum equity acceptable for this method will depend on where you plan to buy in the UK.

You may be due a substantial future inheritance that would enable you to repay any loan or wish to repay the loan by making ad hoc lump sum payments.

You may wish to switch to some type of Equity Release or Lifetime Mortgage product in the future.



You may have savings and investments that would enable you to clear the interest only mortgage at a future date within the mortgage term or possibly you are due a tax free lump sum from your pension scheme?

You may own other properties either in the UK or abroad that you plan to sell in the future that would provide sufficient funds to clear an interest only mortgage.

Interest Only mortgages can be available up to 75% of the property value.

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Buy to Let Mortgages in Retirement



Are you looking to take out a Buy to Let mortgage or replace an existing Buy to Let mortgage that is coming to an end?

We have lenders who would consider you for a mortgage regardless of age, allowing you to run a mortgage to age 90 or beyond.

We can arrange these schemes through either **High Street** lenders or specialist Buy to Let mortgage providers and we have access to **exclusive products** not available directly to the general public.

Buy to Let mortgages are available on either an interest only or repayment basis with rates currently from **1.29%** (APRC 3.7%) subject to status.

Most Buy to Let lenders base the maximum loan available on the **anticipated rent** that the buy to let property will produce, rather than an applicant's personal income.

Some lenders have a minimum personal income requirement, we do however have access to lenders with **no minimum income requirements**.



Many of the Buy to Let re-mortgage schemes available come with a free valuation and solicitors' package.

We have access to lenders who will allow you to run a buy to let mortgage on either an interest only or repayment basis up until your 90th birthday or beyond.

It may be that you are looking to convert your existing residential property into a buy to let and possibly at the same time release equity from the property to assist in your onward residential purchase (this is called a Let to Buy mortgage).

We also have access to lenders who would not have a problem if you were looking to rent out a buy to let property to a family member, although there would be qualifying criteria with this.

Endowment Shortfall

The Association of British Insurers state "that over the next few years, almost three million people will suffer from endowment shortfalls caused by under-performing or mis-sold endowment policies".



Many others have an interest only mortgage coming to an end with **no repayment vehicle** in place.

Whilst most lenders would try to assist you in this situation, many have their hands tied by no longer offering interest only mortgages or **not allowing mortgages to run into retirement**.

We have several solutions to help solve these problems:-

We have access to lenders who would let you run a mortgage into retirement until you are aged 95. This mortgage could be on either a capital repayment or an interest only basis.

We also offer lifetime mortgages where you can either choose to pay the interest monthly so that the mortgage does not increase (interest only lifetime mortgages) or scheme that have no compulsory payments but give you the option of making penalty free payments each year.

Also available are lifetime mortgages where you make no payments with all interest added to the loan and the amount owed increasing year on year (roll-up lifetime mortgages).

Many people with endowment shortfalls are told by their existing lender that they either have to repay the borrowing via a short term expensive capital repayment mortgage or sell the property.

We are pleased to announce that there are other more affordable options which you could consider. These options would normally also allow you to raise additional funds if required.

If you would like to discuss your individual situation and obtain your free personalised illustration to consider, please contact us on **0800 158 3220**.



Frequently Asked Questions

Q. What is a lifetime mortgage?

A. A lifetime mortgage is a product that allows you to release some of the equity from your home. (Equity is the difference between the value of your home and any outstanding mortgage balance you may have on it).

You can choose to take the available funds as either a lump sum or by “drawing down” monies as required.

You could also choose to sell your home to a provider in return for the maximum lump sum (Home Reversion Schemes) or retain ownership of the property and raise funds via a lifetime mortgage.

Q. Do I qualify for a lifetime mortgage?

A. You would need to be a homeowner aged 55 or over. (If you were younger than this, you may still qualify for an interest only or capital repayment mortgage.) There is no maximum age for a lifetime mortgage.

The current minimum property value is £60,000 and your home would also have to meet the lenders criteria.

Q. How safe are lifetime mortgages?

A. All of the lifetime mortgages we recommend are via providers who are members of The Equity Release Council (incorporating SHIP standards) and come with a “no negative equity” guarantee. This means that you can never owe more than the value of your home and no debt will ever be left to your estate.

Q. Why should I take specialist independent mortgage advice?

A. Taking out any type of mortgage is a major decision. We feel that you need a specialist to guide you through the process and advise on the most suitable scheme for your personal requirements. You recommend that you discuss your intentions with your family.

Q. What happens if either myself or my partner need long term care?

A. If the care is provided in your own home, then the lifetime mortgage will continue unaffected. If both of you have to move into a residential or nursing home, the scheme would end and the property would need to be sold.



Frequently Asked Questions

Q. What happens if I want to move home in the future?

A. Providing the new property you purchase meets the lenders criteria you would normally be able to transfer all or part of the lifetime mortgage onto your new home.

Q. Can I repay the loan in the future?

A. Some lifetime mortgage providers offer clearly defined early redemption penalties where you would incur no penalties on redeeming a scheme after the first five years. Others have more complex redemption penalties and you should take advice from a specialist to ensure you take out the most suitable scheme for your personal situation.

Q. What happens if one of us dies?

A. The scheme would continue and would only end when the surviving partner either dies or moves into long term care.

Q. How much equity can I release?

A. With some schemes the maximum tax free cash sum available is based on a combination of the value of your property and your age(s), whilst other schemes are based on long term sustainable income such as pensions, investment income and property rental income. The maximum available would not normally exceed 55% of the property value.

Q. Can I take out either a lifetime mortgage or retirement mortgage if I still have a mortgage?

A. It is not possible to have two mortgages on a property at the same time. Part of the proceeds of any new mortgage taken out would have to be used to pay off any existing mortgage you may have.

Q. If I take out a lifetime mortgage do I have to make any monthly payments?

A. Not unless you choose to do so. There are a choice of schemes available whereby no payments have to be made, with all interest being added to the loan and the amount outstanding increasing year on year. There are also schemes available where you can choose to pay any interest monthly, so that the loan does not increase or make optional annual penalty free payments of up to 10% of the amount borrowed.



Frequently Asked Questions

Q. Will I still own my own home?

A. Yes. With any lifetime mortgage you will not only still own the property but also benefit from any future increases in property values. You will also still be responsible for the cost of repairs and upkeep of the property.

Q. Will I still be able to leave an inheritance to my family?

A. Yes. You can choose to either protect a percentage of the property value to provide an inheritance for your loved ones or choose a scheme where you pay any interest monthly so that the amount borrowed would never increase.

Q. Is a retirement mortgage or lifetime mortgage right for me?

A. We will assess your individual requirements and tell you if we do not feel either of these options are suitable for you. You should also consider other alternative methods of raising funds such as downsizing, utilising savings or the availability of grants.

Q. If I don't need to borrow the money on a lifetime basis, are there any other options available to me?

A. Yes, we are able to offer mortgages into retirement via High Street lenders. These can be taken up until age 85+ on a capital repayment basis or age 95 on an interest only basis.

Q. I have an interest only mortgage coming to an end and no means of repaying it. Is there anything I can do?

A. Yes, we have a number of solutions ranging from building societies that will allow you to repay the capital over a term up until your 95th birthday or lifetime mortgages that will allow you to have the funds on an interest only lifetime basis. If you would prefer another interest only mortgage as you plan to downsize in the future but are not yet ready to do so, then this may also be possible.

Q. If I have an existing buy to let mortgage that is coming to an end or wish to buy a new buy to let property, what is the maximum age I could take a mortgage to?

A. We have lenders who offer buy to let mortgages with no upper age limits and no personal minimum income requirements.



About Us

Mortgages In Retirement is a trading style of Berkley Vittoria Independent Financial Services Limited.

Berkley Vittoria IFS Ltd was established in 1991 and we are specialists in advising on mortgages into retirement, interest only mortgages and lifetime mortgages and cover the whole of the UK.



We are ethical, professional retirement mortgage advisers, not salesmen. We offer specialist, no obligation independent advice and do not favour any particular lender.

We hope you have found the content of this brochure useful, however the information on these pages is very much general and non-specific to your individual needs. We at Berkley Vittoria believe that each persons situation is different and we very much tailor our advice to meet their needs.

We deal with enquires across the whole of the UK and have lifetime mortgage lenders and high street building societies that will lend in all areas.

We can deal with all matters by phone and by post so no face to face meeting is required.

The service that we offer is fast, efficient and unobtrusive and our transparent charge for arranging either an equity release product or mortgage into retirement (£995.00) is one of the lowest in the industry. This fee is only payable when your mortgage has completed and you are in receipt of funds.

Why not call us for an informal chat on **0800 158 3220** and let us answer any questions you may have, and we will guide you to the right product for you.

Berkley Vittoria are authorised by the Financial Conduct Authority (FCA) with all advisers having successfully completed the relevant mortgage and lifetime mortgage examinations.

We are entered on the FCA Register No 150186 at www.fca.org.uk

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