

Using Equity Release To Move To A New Home

Penny & Peter Bull / Married / Aged 65 & 68 / Retired

Current house value: £270,000

Value of property by the sea: £350,000

Requires: £80,000

Maximum loan-to-value: 30%, release 23.14%, joint applicants, lump sum.



Penny and Peter's Story

Penny and Peter have always dreamt of living in a village near the coast, and as their children have moved away and reside around the UK, they have no ties to where they live. They have no residential mortgage on their property and have a buyer lined up.

Properties by the sea carry a premium, and they need a further £80,000 to buy a 2-bedroom home.

Their primary income is from their pensions, and they would struggle to meet the affordability requirements of a standard or RIO (Retirement Interest Only) mortgage. What little savings they have, they want to preserve to spend on the new property.

Trading Up

Using a lifetime mortgage to supplement the purchase can enable customers to buy properties outside their reach and achieve their retirement dreams.

The adviser had concerns about the house's proximity to a commercial property, the village's local post-office. After checking with Pure Retirement's underwriters, they were happy to consider the case and, on further investigation, deemed it acceptable.

Penny and Peter are advised to take a **Pure Retirement Classic Lifetime Mortgage**.

The maximum loan-to-value available for Penny and Peter's age range is 30%.

They release a lump-sum of £80,000 (23.14% LTV). They could access the remaining equity later as a further advance, potentially for care costs in the future.

How It Works

Once Penny and Peter have found a buyer for their existing home and settled on the property they would like to buy, they would simultaneously complete on the new house and release funds from the lifetime mortgage, enabling them to fund the price difference.

With all Pure Retirement lifetime mortgages, homeowners can make repayments to protect their remaining equity. Pure Retirement's Classic lifetime mortgage enables optional repayments of up to 10% of the initial loan to be made annually without incurring any early repayment charges.

Managing Their Lifetime Mortgage with MyPure

Penny and Peter now manage their lifetime mortgage online through the account management platform, MyPure. They can make one-off optional repayments, download their annual statements, and submit any queries they have directly to Pure Retirement to receive support along their lifetime mortgage journey.

Specific to Pure Retirement Classic lifetime mortgage. Examples of customer scenarios only. Every case will be different. Scenario based on March 2024 figures.

Thinking About Equity Release?

Pure Retirement is a specialist lifetime mortgage provider regulated by the Financial Conduct Authority and a member of the Equity Release Council. It is important to consider all options before you apply for equity release.

Pure Lifetime Mortgage Features

Guaranteed no negative equity

Optional monthly repayments

Client retains ownership of the property

Regulated by the FCA and member of the Equity Release Council

Things To Consider

Downsizing and other forms of finance should be considered

Compound interest roll-up

Early repayment charges

Long-term care and state benefits considerations

A lifetime mortgage may impact the inheritance you leave



Figures used are for illustrative purposes only and show an example of Pure Retirements Lifetime Mortgages and how they have been previously used.

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