

Residential Interest-Only Mortgage Clients Coming To The End Of Their Plan

Margaret Springfield / Widowed / Aged 65 / Retired

Current house value: £325,000

Requires: £80,000

Maximum loan-to-value: 31%, releases 24.62% on a single application, lump sum.



Margaret's Story

Margaret has an interest-only mortgage still outstanding on her property. She would like to retire early but is unable to afford the payments on her retirement income. Her Financial Adviser identified that she wouldn't qualify for either a Retirement Interest Only (RIO) mortgage or a residential mortgage due to affordability assessments based on her age and income.

She doesn't see downsizing as a viable option as she lives close to family and friends.

Margaret is advised to take a **Pure Retirement Classic lifetime mortgage**.

She receives a loan-to-value of 24.62%.

She releases £80,000, and pays off her residential mortgage.

Optional Repayment Possibilities

Margaret's adviser uses the repayment calculator on Pure Retirement's website to demonstrate how Margaret can make up to 12 ERC-free optional repayments per year, up to 10% of the total amount borrowed, to help reduce interest roll-up. As the payments are optional there is no need for Margaret to prove affordability unlike a RIO or standard mortgage. Therefore, Margaret can make a repayment in months where she has surplus cash and forgo making payments in other months.

Free Energy Performance Certificate EPC

Margaret receives a free Energy Performance Certificate after completing her Classic lifetime mortgage with Pure Retirement. An EPC provides an indication of how much it will cost to improve the energy rating of the property with indicative costs for changes.

Managing Her Lifetime Mortgage with MyPure

Margaret can manage her lifetime mortgage online through the account management platform, MyPure. She can view her account balance, make one-off optional repayments, and access a bank of FAQs to support her along the 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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With thanks to

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Providing solutions for your future