

# Norton Peskett

## Solicitors

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*Please note that this is a general guide and not to be relied upon when taking any personal or business decisions and that it is not a substitute for legal advice tailored to the reader's circumstances.*

## Equity Release

Equity Release is becoming an important part of retirement planning, allowing an increasing number of people to realise the dreams they have worked so hard for or to make their retirement more comfortable.

Historically, Equity Release has had a bad reputation, with bereaved families being left with an inherited debt due to the mortgage on the property exceeding the value of the property. All Equity Release providers are now regulated and must provide a "no negative equity" guarantee, meaning that these inherited debts can no longer occur.

Equity Release will allow you to release money from your property without having to downsize or make monthly payments. The actual amount you can release will depend on your age and property value (you have to be over 55 to be eligible).

There are two types of Equity Release schemes:-

**Lifetime Mortgages** - The loan is secured against your property. You do not make any repayments, instead interest is rolled up to be paid when the scheme ends. You continue to live in your own home.

**Home Reversion Plans** - You sell all or part of your home to the lender but continue to live in your own home. After your death or you move into permanent residential care your home will be sold and the proceeds split between the lender and you or your estate.

Equity Release schemes are not right for everybody and it is important to discuss your individual needs with an Independent Financial Advisor, who will be able to advise you on all your investment and income needs and discuss all your options with you. If following your discussion, you decide that Equity Release is the best option for you they will be able to discuss the two types of Equity Release and advise you on the best lender for your particular needs. We cannot give you financial advice but we can recommend trusted experts in this area and assist you with the legal process.