



Thompson Jenner  
Financial Services Ltd

# EQUITY RELEASE

## What is Equity Release?

**Equity release allows individuals to release tax-free cash from their home as a lump sum, as regular income or a combination of both to boost your finances in retirement.**

The people who are likely to benefit are those who have cash tied up in their homes and don't wish to move. The older you are the more that you can generally borrow. You can normally apply for equity release from the age of 55 upwards.

Due to an extended period of low interest rates on savings and changes to many company pension schemes, equity release is quickly growing in popularity. However, many people are confused by the available options and are not sure if it is right for them.

## What types of plans are there?

There are two main types of equity release plans: lifetime mortgage and home reversion.

### Lifetime mortgage

With a lifetime mortgage plan, you take out a loan secured on your home.

- Some schemes allow you to pay all or a proportion of the interest.
- You keep full ownership of your home.
- The loan, together with the accumulated interest, is usually repaid from the sale of your home, either when you die or move into long-term care.
- Reputable schemes guarantee that the repayment will never exceed the value of your property.
- Some providers offer a 'drawdown' facility, which means that instead of borrowing all the money you need as a lump sum at the start, you can take smaller cash amounts.
- Some schemes are available for property purchase - subject to qualifying criteria.

### Home reversion

With a home reversion plan, you sell your home, or part of it, to a reversion company.

- You no longer own your home, or you only own a part of it.
- You receive a lease giving you the right to live there rent-free (or sometimes paying a token rent) for your lifetime, or until you have to move into a care home.
- The reversion company will be repaid when the property is sold after you have left it.
- The reversion company will only pay you a percentage of the current market value of your property because it may have to wait years for its return and you will be living there rent free (or almost) for life.

## Contact:



Philip Dalley  
Independent Financial Planner  
Email: [pdalley@tjfs.co.uk](mailto:pdalley@tjfs.co.uk)  
Tel: 01392 258553  
Mobile: 07896 504998

1 Colleton Crescent  
Exeter, Devon, EX2 4DG.

Tel: 01392 258553  
Fax: 01392 412094  
Email: [enquiries@tjfs.co.uk](mailto:enquiries@tjfs.co.uk)

28 Alexandra Terrace  
Exmouth, Devon, EX8 1BD.

Tel: 01395 279521  
Fax: 01395 272384  
Email: [enquiries@tjfs.co.uk](mailto:enquiries@tjfs.co.uk)

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**Within these two types of plans, there are many different options available and it is important that your current and future needs are matched with the right type of equity release option.**

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# EQUITY RELEASE

## We can help with all aspects of you making the right decision

Raising capital or income from your home is a big decision and might not be your best or only solution. It is therefore vital that you seek the best independent advice, which is tailored to your individual circumstances to avoid any potential pitfalls. Our first priority is to always establish whether it is right for you. We can search the whole equity release market on your behalf and guide you through the various types of schemes available to find a plan that best suits your needs. It is important that you take time to come to the right decision once you fully understand all the implications.

## We are members of the Equity Release Council

The Equity Release Council (ERC) is the industry body for the equity release sector. A major focus of the ERC's work is to ensure that products are safe and accessible for consumers.

Each member of the ERC that provides equity release products is signed up to the Council's Code of Conduct which puts in place a number of safeguards and guarantees for consumers. This means that people who use equity release products offered by ERC members can have confidence in the products they use and the information they receive.

**As members, we are committed to using providers who sign up to the ERC Code of Conduct, ensuring that you receive the same safeguards and guarantees. We have been advising on Equity Release mortgages for over 15 years.**

## Next steps

If you are thinking of taking out an equity release plan then you need to find out as much as you can about your options and weigh up the advantages and disadvantages fully before you decide if equity release is right for you. Our CII qualified advisers can help you assess your current needs and circumstances and work out whether equity release is a suitable and viable option for you.

Equity release is not the only way you can raise money and other options may be more suitable for you. So getting the right advice is very important.

**If you want to find out more about equity release, or have any queries, please give Philip Dalley a call on 01392 258553. We are always happy to arrange a free, no obligation initial consultation.**

**Appointments can be made at either of our two offices or at your home or workplace if more convenient.**



This factsheet has been written for the general interest of our clients. It provides only an overview of the regulations in force at the date of publication. It is therefore essential to take advice on specific issues. No responsibility for loss occasioned by any person acting or refraining from action as a result of the material contained in this leaflet can be accepted by the firm.

Thompson Jenner Financial Services is a member of the Equity Release Council.



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