



## For intermediary use only

A lifetime mortgage is a long term commitment which could limit the choices available to your clients in future. However, circumstances can change, and the Lump Sum Lifetime Mortgage aims to accommodate these changes.

### Example 1: Unexpected cash windfall

Your client receives an unexpected windfall, and would like to use these funds to reduce their lifetime mortgage balance.

The **Flexible Repayment Option** allows up to 10% of the initial loan amount to be repaid each year after the first anniversary without attracting **any early repayment charge**.

Your client decides if or when they wish to make a repayment.

### Example 2: Downsizing

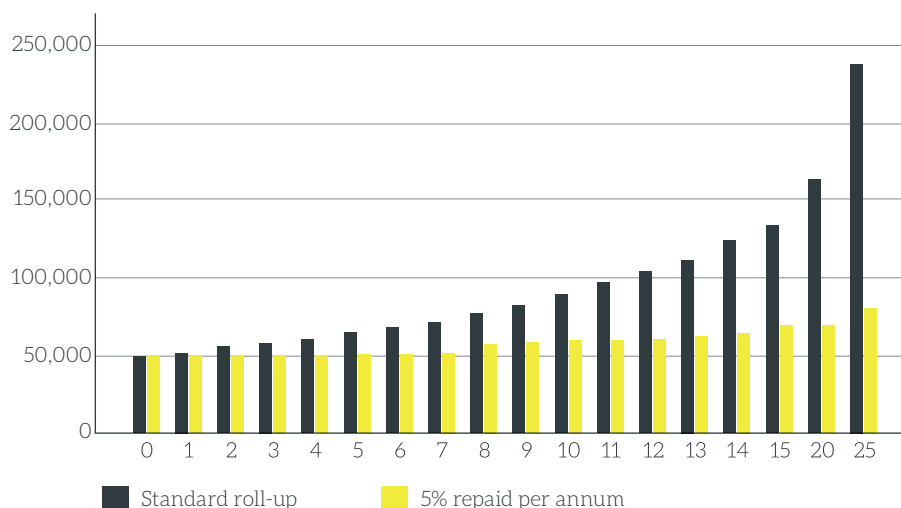
Your client may not plan to downsize, but this could change in the future if:

- They need to move to be closer to their family
- Their existing property becomes difficult to manage in later life.

**No early repayment charge** will apply if, after 5 years, your client sells their home and moves out permanently, even if the loan is repaid in full. (If within the first five years, a sliding scale charge will apply of 5% in year one to 1% in year 5).

### The value of the Flexible Repayment Option

Using the Flexible Repayment Option, the example below shows the effect on the total amount owing of repaying £2,500 (5% of the initial loan amount) annually after the first anniversary of taking out a £50,000 lifetime mortgage (based on rate of 6.13% monthly/AER 6.3%)



By repaying 5% of the initial loan amount every year after the first anniversary, the total amount owed after 10 years will be **£58,689**. This is **£33,420** lower than if no repayments were made. Further details are available on our website at [www.hodgelifetime.co.uk/frocalculator](http://www.hodgelifetime.co.uk/frocalculator).

## About Us

**Doing the right thing is what we aim to do in all areas of our business – it guides our decisions.**

Take Hodge Lifetime for example, a business dedicated to the retirement market since 1965. Since that time we've nurtured a great depth of experience and developed a very strong and solid reputation for looking after our customers while being at the forefront of innovation in our core retirement lending markets. This means that you can trust us to do right by you.

We do the right thing with regard to having a social responsibility too. The Hodge Foundation, a charity supporting the welfare, medical, academic and educational areas owns over 75% of our business. This drives us, knowing that by helping our customers to achieve their goals, we are also helping good causes that are important to us.



## Get in touch

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Hodge Lifetime is a trading name of Julian Hodge Bank Limited which is registered in England and Wales (No. 743437). It is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Its registered office is One Central Square, Cardiff, CF10 1FS.

