

Use your home's value to live the way you want: A Guide to Equity Release



Mullis & Peake – Members of the Equity Release Council

Mullis and Peake LLP Solicitors are members of the Equity Release Council (ERC). The Equity Release Council is the industry body for the equity release sector and it represents not only the providers, but the financial advisers, lawyers, intermediaries and surveyors who work in the sector.

One of the main objectives of the ERC is to ensure that the products available are safe and accessible to consumers and that there are safeguards and guarantees in place to provide protection.

Many clients turn to equity release mortgages because they do not qualify for traditional mortgages usually as they are not in full time employment or are retired. An equity release mortgage generally does not have monthly repayments but rather the monies have to be repaid by the borrower on death when the property is sold or when the borrower moves into long term care.

Our Expertise

We provide:

- Detailed analysis of the equity release mortgage offer
- Advice on other alternatives
- An explanation of equity release consequences
- A face to face discussion

There are two types of equity release:

Home Reversion Plan

In its basic form, all or part of your home is sold to a private company known as a "reversion company" or group of individual investors, and in return you will receive a cash lump sum, an income or both. You can remain in the house for a nominal monthly rent for the rest of your life.

When the property is sold, usually after your death or move into alternative accommodation, the reversioner receives the proceeds of sale, depending on what share of the property you have sold.

Lifetime Mortgage

With a lifetime mortgage you borrow against the value of your home releasing a loan which can be used to provide an income, a lump sum, or both.

The loan does not have to be repaid until you die or move to alternative accommodation. Interest, usually at a fixed rate, is compounded monthly and "rolled-up" and added to the outstanding loan unless you have chosen to make monthly interest payments for the duration of the term.



Estimated Time Scale

We rely upon you giving us complete and timely instructions and also to provide us with all the necessary and relevant documents. We correspond with a number of institutions, all of whom may respond with greater or lesser efficiency. Delays by third parties such as these can mean that time scales will vary.

We would expect that a simple matter would be completed within one month following receipt of the papers from the lender whilst more complex matters will take longer. If you require your matter to be expedited (completed within 14 days of receipt of the papers from the lender) we do offer an Expedition Service and an expedition fee will be charged.

We will endeavour to provide up to date information as to timing throughout the course of the matter.

Conflict Clearance

We perform a conflict check on every matter before we proceed to ensure that we are able to act.

Anti-Money Laundering

We undertake an on-line identity check on every client. We use a commercial agency to carry out our electronic checks to corroborate personal data provided by you. It is safe and secure.

Anti-Mortgage Fraud

We have strict rules on how to avoid mortgage fraud and, alongside our duties under the rules on Anti-Money Laundering and Proceeds of Crime, we will ask you to provide evidence to confirm the following when you instruct us:-

- Identity (see Anti-Money Laundering above)
- Income
- Employment
- Other debt obligations
- The value of the property

Limitation of Liability

We will not be liable for any losses incurred resulting from any fraudulent misrepresentation.

Excluded Work

We will not act in any case where there appears to be a clear conflict of interest.

Next Steps

When you have agreed to proceed with us, we will issue our client care pack to you to complete and return to us. After you have returned your forms and after our due diligence exercise has been completed, we will provide you with a thorough written advice regarding the equity release mortgage offer. We will then arrange an appointment to see you to go through the paperwork with you and answer any questions you might have.

Our commitment to you



Our promise is to provide you with a tailored experience to meet your individual needs. We embrace technology and innovation but keep our clients at the heart of everything we do.

We are completely transparent in both our work and our charges. All our advice will be set out to you in writing and in person. You will never be charged more than the estimate of costs provided to you unless we are required to do something different or additional for you. Any additional charge will first be explained fully to you and detailed reasons given for why the additional work is necessary.

In addition, all members of the ERC must abide by the overarching principles of the Council which are to:

- Ensure that their actions promote public confidence in equity release as a potential retirement solution
- Act at all times in utmost good faith
- Communicate high expectations for equity release outcomes in all our dealings
- Ensure conflicts of interest are managed fairly and reduced to the lowest practical level
- Exercise due skill, care and diligence in all that they do and uphold the standards set out by our professional bodies at all times
- Always act with the best interests of our clients being paramount, treating customers fairly in all our actions

Complaints procedure

A copy of the firm's complaints procedure is available on request.

Our Team

Paul Fursman and Roger Clark are Solicitors and members of the Equity Release Council who will be dealing with your matter. Our solicitors are supported by a paralegal whose name will be provided for your reference purposes within our client care letter.

Our lawyers are real people, with a real understanding of the problems and difficulties faced by clients.

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