

Supplementary Information to your Retirement Interest Only Mortgage Illustration

This document provides additional information about a retirement interest only mortgage and should be read carefully in conjunction with the applicable sections of your mortgage illustration. If you have any queries please discuss these with your mortgage adviser.

The 'Repayment Period' referred to throughout the mortgage illustration is an Assumed Repayment Period and the payments are based on this. The Assumed Repayment Period is based on when you have told us you expect to repay the mortgage in full, or otherwise assumed by us, based on a reasonable estimate of when you will repay the mortgage in full.

Section 3 – Main Features of the Loan

The mortgage term will end, and the mortgage shall be repayable, on the occurrence of the earlier of the following events:

- your death, or where there are joint borrowers, the death of the last surviving Borrower; or
- you, or where there are joint borrowers the last surviving Borrower, leave(s) the Property to move into sheltered accommodation or long-term care and the Property is no longer your main residence. (You will be required to provide evidence from an independent source of your move into sheltered accommodation or long term care);
- you, or where there are joint borrowers the last surviving Borrower, acquire(s) another property for use as your main residence and/or no longer use(s) the Property as your main residence; or
- you sell the Property and do not transfer this loan to your new property.

For the purposes of section 3 the sale of your property will be the repayment strategy and the proceeds of sale will be used to repay the mortgage balance and any accrued interest when the mortgage ends. You can choose to repay the mortgage at any time but this will be subject to any applicable early repayment charges and/or mortgage exit fee.

This product is only available to applicant(s) aged 55 and above and is subject to our lending criteria at the time of application.

Section 4 – Interest Rate and Other Costs

The Mortgage Exit Fee is payable on full repayment of the Loan before the occurrence of one of the events stated above (Section 3 – main Features of the Loan)

Section 6 – Amount of Each Instalment

The following risks should also be considered in relation to the retirement interest only product:

What if your income goes down?

You will still have to pay your mortgage if your pension income falls because, for example, you fail to keep up your pension contributions, the performance of your pension investments falls or you take out large cash lump sums which reduces your pension income.

You should also consider potential increase in costs eg care in your lifetime.

Think about whether you could make your mortgage payments in these situations.

Section 8 – Early Repayment

Early Repayment Charges are waived on the following:

- your death, or where there are joint borrowers, the death of the last surviving Borrower; or
- you, or where there are joint borrowers the last surviving Borrower, leave(s) the Property to move into sheltered accommodation or long-term care and the Property is no longer your main residence. (You will be required to provide evidence from an independent source of your move into sheltered accommodation or long term care).

Explanations about your proposed mortgage

For the purposes of the explanations provided with your illustration, the repayment method of this product is interest only, the mortgage term will end on the occurrence of one of the Events stated above (Section 3 - What you have told us) and the proceeds from the sale of your Property will be used to repay the mortgage balance and any accrued interest when the mortgage ends.

Important things to consider

Before applying for this loan you should consider taking advice on the impact of taking out this loan on your tax position and entitlement to any benefits, if you are borrowing additional funds to release capital from your home. You can find further information about this from HM Revenue & Customs, the Pension Service and / or the Citizens Advice Bureau.

We are required to inform you that a lifetime mortgage may be available and more appropriate for your financial circumstances.