

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 based on an assumption and the payments are based on this. The assumption is based on when you have told us you expect to repay the mortgage in full or on a reasonable estimate, assumed by us, of when you will repay the mortgage in full.

Section 3 – Main features of the loan

The mortgage term will end and the mortgage will be repayable, if the following events occur:

- Your death or, where there are joint borrowers, the death of the last surviving borrower.
- 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.
- 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 the 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 the full repayment of the loan before any of the events stated above occur (Section 3 – main features of the loan).

Section 6 – Amount of each instalment

The following risks should also be considered in relation to your mortgage payments:

- 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.
- Potential increase in costs e.g. care in your lifetime.

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
- 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).

Important things to consider

If you are borrowing additional funds to realise capital from your home, you should consider taking advice on the impact this may have on your tax position and any benefits entitlement before you apply for this loan. 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.