

Equity release

SunLife

Unlock tax-free cash to enjoy the lifestyle you deserve

See whether releasing some of the equity
in your home could be right for you.



Boost your income. Pay off those nagging debts. Take that once-in-a-lifetime trip. Get your home just the way you want it. Or see the joy on your loved ones' faces as you make their dreams come true.

It could all be on the house, thanks to equity release.

Equity release is a loan which increases with compound interest. It's repaid when you die or move into long-term care. It may reduce the amount of inheritance you leave and affect your future financial options, including means-tested benefits.

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What is equity release?

Many people have heard about equity release but aren't sure what it means.

Equity is how much your home is worth, minus any mortgage you have left. So if your house is worth £350,000 and you have a £50,000 mortgage, you have £300,000 of equity.

Equity release lets you take out some of that money, without having to move home.

A lifetime mortgage is one way of doing this. You can take the money you release in a lump sum or in smaller amounts over time.

With this option, you still own your home. And unless you choose to make monthly payments, you don't need to pay back the mortgage (plus compound interest) until you die or move into long term care.

Equity release might not be right for everyone. It can affect your entitlement to means-tested state benefits, future financial options and your loved ones won't inherit the full value of your home when you die.

At SunLife, we can help you get free, expert advice to see if equity release could be right for you. And if it isn't, the advisor will tell you.

Tied advice is provided via the SunLife Equity Release Service.

Four important things to know about equity release:

- ✓ The money you release is tax free
- ✓ You can stay in your own home
- ✓ Options for no monthly repayments
- ✓ You can use the money however you like





Did you know?

71% of people who take out equity release say it's increased their overall happiness.*



The money you need – on the house

Average house prices have more than doubled in the last 20 years. So your home could now be worth a lot more than you paid for it.**

If house prices continue to rise, you could build up more equity to leave your family. And if house prices fall in the future, this could reduce the amount of inheritance left over.

It's good to know you can never owe more than your home's worth with a lifetime mortgage. And you can't pass on any equity release-related debt to your family.

So if you're 55 or over, you could get your hands on some of that value, without needing to downsize.

You can spend the money however you wish. That could mean:

- ✓ Paying off mortgage and debts
- ✓ Making home improvements
- ✓ Helping family
- ✓ Taking the holiday you've always dreamed of

*Source: SunLife's Life Well Spent report 2023

**Source: UK House Price Index:

<https://landregistry.data.gov.uk/app/ukhpi>

There's no place like home

Lots of people use money from equity release for home improvements.

From upgrading your kitchen or bathroom to converting the garage into an office, the possibilities are endless. These changes could even add more value to your home.

You could also adapt your home so it's fit for the future. A few changes could mean you're able to stay where you are for longer, without having to move into care.

Equity release could help make that happen.



Did you know?

Over a third of people who take out equity use at least some of the money for home improvements.*



Did you know?

23% of over 50s have given a substantial cash sum to their family. And 20% of those gifted the money for a house deposit.*

Gift an early inheritance

Maybe you've got children who can't save a big enough deposit to buy their first home. Or grandchildren going to university or getting married, and you'd love to be able to help.

Perhaps you like the idea of giving your kids some of their inheritance now, so you can see the difference it makes to their lives.

Equity release can make some of those things possible. Remember, it's important to get financial advice before giving money away.

*Source: SunLife's Life Well Spent report 2023

Expert advice, without the fee

If you'd like to know more about equity release, you can talk to the SunLife Equity Release Service.

For example, you might be eligible for the SunLife Sunrise* lifetime mortgages (not available in Northern Ireland). These have no advice fee, a no negative equity guarantee and the top 5-star rating from Defaqto.

More and more people are wondering whether equity release might be right for them. So why not find out, free of charge, if it might be right for you?

Just call free on 0800 633 5566 to get expert answers to any questions you have. There's no commitment, but if you wish you'll also be able to arrange an appointment with an equity release advisor.

It's good to know that all equity release schemes are regulated by the Financial Conduct Authority. You may also want to check that your provider is a member of the Equity Release Council.

At SunLife, our roots go back over 200 years – and we're also the UK's most popular provider of over 50s life cover.

We've put together lots of useful information including free tools and videos on equity release. Just visit our website sunlife.co.uk/equity

A product that follows standards set by the Equity Release Council can include:

- ✓ A 'no negative equity' guarantee, meaning you'll never owe more than your house is worth
- ✓ The option to transfer your scheme to a new property. This means that if you move house you shouldn't face any penalty.

For more information, visit equityreleasecouncil.com



Did you know?

SunLife Sunrise is 5 Star Defaqto rated.



7 *SunLife Sunrise is manufactured and administered by Standard Life Home Finance. SunLife Limited receives an introductory commission from Phoenix Life Limited or Key Retirement Solutions, if you take out a product. The amount is a percentage of the loan's final value.

The pros and cons of equity release

Could equity release be right for you? Releasing tax-free cash from your house could be a great option, but it's not right for everyone. It's important to weigh up the pros and cons before you make any decisions – and seek expert advice. If you'd like to find out more, you can speak to an adviser through the SunLife Equity Release Service. They'll be happy to help.

Pros:

- You'll get tax-free cash for your retirement.
- You can stay in your own home until you die or move into permanent care.
- You don't need to make monthly repayments – although you can choose them with some plans.
- You'll never owe more than your home's worth. And you won't pass on any equity release-related debt to your family.
- Any equity left over can be passed on to your family as inheritance.
- With many schemes, you can still move home once you've released equity.

- You have to get expert advice before you apply, so you'll know if equity release is suitable for you.

Cons:

- You'll have to pay compound interest. This means you pay interest on the loan you take out, as well as the interest that's been added on – so it can grow quickly.
- There'll be less inheritance for your family as equity release reduces the value of your estate.
- Equity release may affect your tax position and any means-tested benefits.
- You may not be able to borrow more in the future.

- There may be fees, though you can use some of the money you release to cover them.
- If you have an existing mortgage, you'll need to use the money you release to pay it off first.
- If you want to pay your loan off early, there may be early repayment charges.

There's a lot to think about but speaking to an adviser can help to make things simple.

Just call 0800 633 5566 to speak to the SunLife Equity Release Service for free. They'll talk you through all the pros and cons and answer any questions. It's a great first step to learn more about equity release.

For help from an expert, call FREE:
0800 633 5566
or visit sunlife.co.uk/equity



Your questions answered

Am I eligible for equity release?

For general equity release plans, you need to be aged 55 or over and a UK resident. You also need to own a qualifying house worth above £70,000, and have paid off all or most of your mortgage.

You'll also need to pay off any remaining mortgage and/or any other loans against it with some of the money you release.

How much equity could I release?

It depends on your home's value and your age. Most people release between 20-60% of their equity typically between £10,000 and £100,000 but it could be more.

Could equity release affect my finances in any other way?

It could affect your entitlement to means-tested state benefits. You should also consider the impact on your estate, as your loved ones won't inherit the full value of your home when you die.



Does it matter what kind of home I have?

It must be built out of bricks and mortar. The property must also be freehold, or have a long lease.

Can I still move house?

Often, yes, but fees may apply.

What if I die but my partner is still alive?

The equity release scheme should be in both your names so your partner can continue to live in the home under the same arrangements.

What happens if my partner or I need long-term care?

If you both move into a care home permanently, the scheme will usually end and the property will be sold. If just one of you moves to a care home (or care is provided at home), your equity release scheme will usually continue as it is.

Is equity release the best option for me?

Call 0800 633 5566 to speak to an expert adviser, free of charge. Depending on your circumstances, some alternatives might suit you better like a traditional mortgage or loan, renting out a room, downsizing or careful budgeting.

For help from an expert, call FREE:

0800 633 5566

or visit sunlife.co.uk/equity

Speak to those you love

If you're planning to release equity from your home, it's a good idea to talk it through with your loved ones. That way, they won't run into any surprises when it comes to their inheritance.

They're bound to have some questions. If they'd like to do some research of their own, you could point them towards SunLife's equity release hub.

For help from an expert, call FREE:

0800 633 5566

or visit sunlife.co.uk/equity



Making the best choice for you

Releasing tax-free cash from your home can be life-changing, but there's a lot to consider. We hope this guide has given you a bit of an introduction.

You'll receive a more detailed guide from the experts at SunLife Equity Release Service to help you through the next steps. Keep it to hand if you choose to chat to an adviser.

Don't forget, you can always visit the online SunLife equity release hub or call the number below.

For help from an expert, call FREE:

0800 633 5566

or visit sunlife.co.uk/equity

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