



YOUR GUIDE TO  
**SAGA EQUITY RELEASE**



# WELCOME TO SAGA EQUITY RELEASE

**Like you, Saga has seen many things change over the years. And one of these things is equity release. When we started to help customers with their finances over 20 years ago, equity release was still associated with tales of the past. Today, it's a very different story. There are standards, safeguards and regulation, plus 'no negative equity' guarantees.**

Here at Saga, we've had time to get to know our customers and understand life over 50. With many people finding the homes they love have rocketed in value, it can be frustrating that all that wealth is tied up in bricks and mortar.

This is why we believe that equity release can be a real solution for some people. But how do you know if you're one of those people? Advice, advice, advice. You can't talk too much about equity release. And as we know how vital it is to get expert advice about equity release, we chose, after extensive research, HUB Financial Solutions Limited to help our customers.

Equity release is regulated by the Financial Conduct Authority.

Take a look inside to get to know Saga Equity Release better.



# LET'S TALK ABOUT THE BASICS

## What is equity release?

**When you bought your home, you likely got a mortgage – a bank lent you a large amount of money, which you paid back with interest on a monthly basis over many years. Imagine you paid £60,000 for your home in 1990 and it's worth £260,000 now. With equity release, you can borrow some of the equity that you've built up in your home. Equity is the value of your home less any mortgage or debts that you have secured against it.**

There are two main types of equity release – lifetime mortgages and home reversion plans. A lifetime mortgage is the most popular type of equity release and is a long-term loan secured against your home. Your home will still belong to you. As with a lifetime mortgage, a home reversion plan gives you either a tax-free lump sum or a number of cash payments, but this is in return for selling part, or all, of your home.

With a lifetime mortgage, a company lends you a sum of money which is usually repaid from the sale of your home when you (or the last borrower in a joint arrangement) die or move into long-term care.

As you can see, it's a big deal. Just like buying your house and getting the mortgage for it was. And in just the same way, you need in-depth advice and information about releasing equity before you go ahead.

The product available through Saga Equity Release is the Saga Lifetime Mortgage, which is available exclusively through this service and is provided by Just. Just is a leading provider of lifetime mortgages and have helped their customers release more than £6.7 billion from their properties.

The Saga Lifetime Mortgage isn't a one-size-fits-all product. It offers a range of flexible options, exclusive features and can be tailored to meet your individual circumstances. It's for people aged 55 or over who have a suitable UK property worth £70,000 or more. You can learn more about the Saga Lifetime Mortgage in this guide.



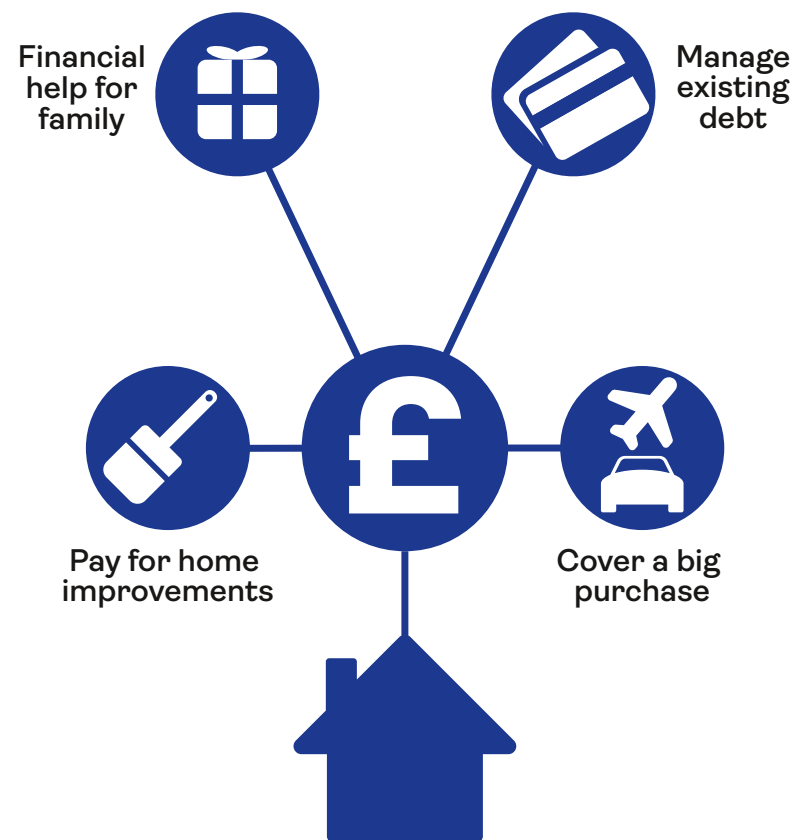
# GET THE BIGGER PICTURE

## What's great about equity release?

- You don't have to downsize to benefit from any rise in your home's value.
- You carry on enjoying the home you love.
- The cash you release is tax-free.
- You get a lump sum to spend.
- There's no need to make monthly interest repayments, but you can if you want to. An alternative is to pay up to 10% of the loan (not just interest) annually without incurring an early repayment charge. Please note it's not possible to make both monthly payments and occasional payments at the same time.
- The loan and interest don't need to be paid back until you die or go into long-term care.
- Most lifetime mortgages, including the Saga Lifetime Mortgage, come with a 'no negative equity' guarantee. So when your property is sold, after you (or the last borrower in a joint arrangement) die or move into long-term care, there's never any extra for you or your beneficiaries to repay – even if the sale proceeds of your house come to less than you owe.
- You can apply for equity release from the age of 55 if you own your home, it's your main residence, it's in the UK and is worth £70,000 or more.

## What are the drawbacks?

- Equity release will reduce the value of your estate, leaving less money to pass onto your loved ones when you die.
- Some state benefits are means tested, so if your finances improve with an equity release lump sum, you may not get these any more. Saga Equity Release advisers will check this for you.
- If you use equity release to pay off existing debt, such as a current mortgage, it could cost more in the long term.
- If you repay the loan early, early repayment charges may apply.
- With a lifetime mortgage the interest is compounded, so unless you choose to make full monthly interest repayments, you will pay interest on the interest.
- Gifting may be subject to inheritance tax.



# WHY CHOOSE SAGA EQUITY RELEASE?

**You might know Saga best for holidays and you'd be right. So when it comes to matters such as equity release, it's time to call in the experts. That's why we chose a respected financial services company that specialises in equity release, which we trust to do the best for our customers, with the same level of service and quality you'd expect from Saga.**

As a result, Saga Equity Release is provided by HUB Financial Solutions Limited. The Saga Equity Release team has been helping Saga customers with equity release since 2006 and has guided more than 20,000 of them through releasing equity from their homes.

Saga Equity Release has been created with you in mind and so treats every customer as an individual. Everyone is different and equity release needs to be tailored to fit your unique circumstances. The Saga Equity Release advisers listen and make a detailed report of your current finances so they can provide targeted advice and recommendations just for you.

This even means that if they think equity release isn't right for you, they will tell you so. They'll be with you every step of the way, from your very first enquiry to completion, but you'll not be hounded and you're never, ever under any obligation or pressure. You're in the driving seat.

There's also the Equity Release Council which has a number of standards and safeguards in place to help consumers. These standards include the reassuring 'no negative equity' guarantee so that you are not liable to pay more if your house sale does not cover the amount you owe following your death or entry into long-term care. You'll be glad to know that Saga, HUB Financial Solutions Limited and Just (provider of the Saga Lifetime Mortgage) are all long-standing members of the Equity Release Council.



# SAGA EQUITY RELEASE TAILORED TO YOU

**Get added confidence and control with Saga Equity Release and the Saga Lifetime Mortgage**

## Advice from qualified professionals

With Saga Equity Release you'll receive advice from qualified professionals so you can better understand the ins and outs of releasing equity from your home. Your first call, your meetings with your personal adviser, your financial reports and every question you ask in between will be without any obligation or pressure to proceed. An advice fee of £799 is only payable if you go ahead with equity release through us.

So, if you decide that Saga Equity Release isn't right for you, you won't be charged for any advice you've had.

## Exclusive to Saga

By using Saga Equity Release you'll have exclusive access to the Saga Lifetime Mortgage which comes with these unique features:

## Money Back Guarantee

You won't find a guarantee like this anywhere else. We know that equity release is a big decision and that sometimes things work out differently than you imagine. What if you get an unexpected windfall or find you can't build that extension where you want to after all? That's why with a Saga Lifetime Mortgage, you can pay back the money within six months of the completion date of your initial advance. You won't need to pay any interest or any early repayment charges – you just pay the money back and walk away.

To be eligible for this guarantee your initial advance must not exceed £150,000. There are other eligibility terms that you need to be aware of and you can find all of these at [www.saga.co.uk/money/equity-release/terms-and-conditions](http://www.saga.co.uk/money/equity-release/terms-and-conditions).

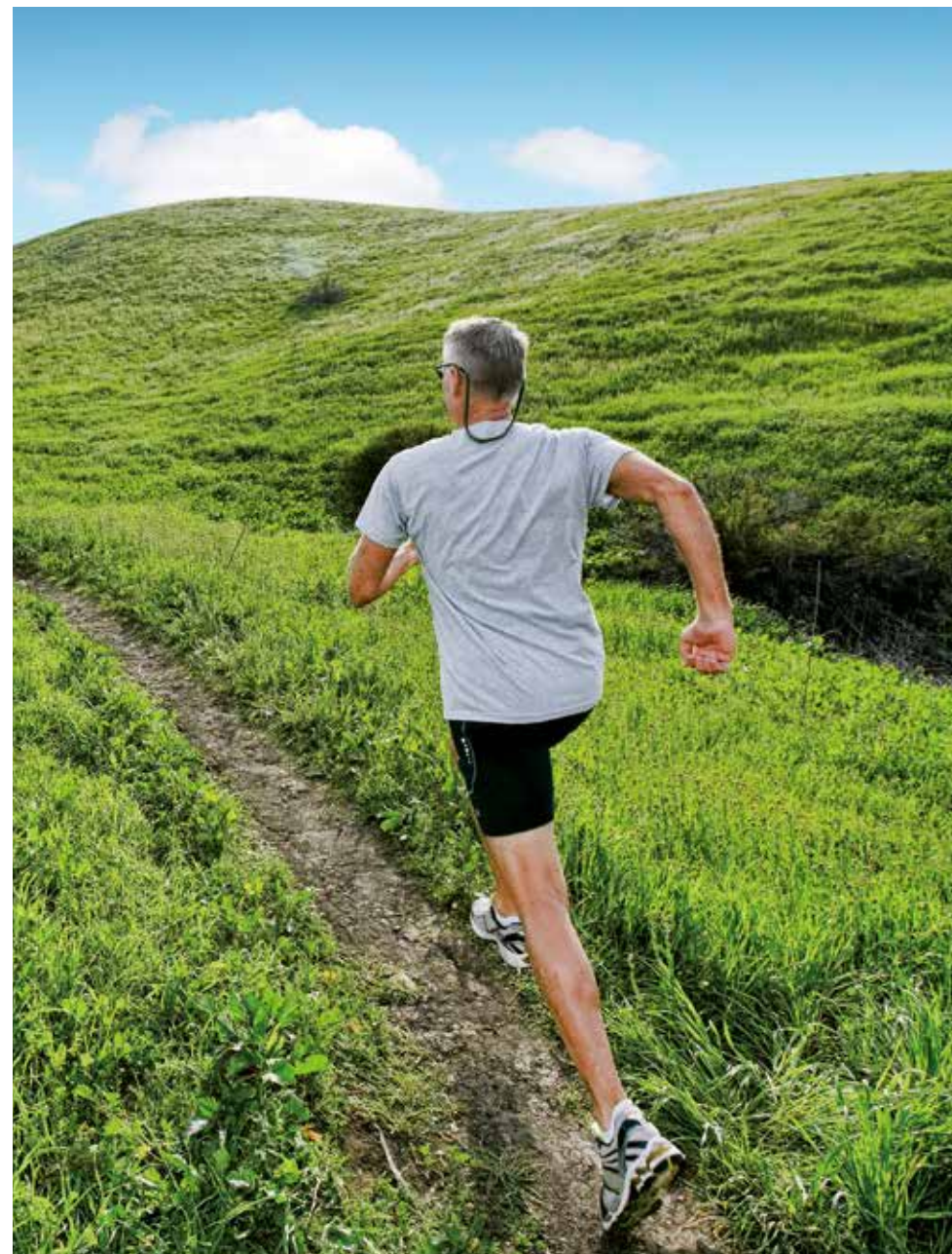


## Saga Service Promise

Once you've made the decision to go ahead with something big like buying a house or getting a new car, you want it quickly. Unfortunately, the excitement of signing on the dotted line can sometimes then be followed by a frustrating wait. Equity release can be like that too.

We don't want to stall your plans. With our Saga Service Promise you'll know that we'll aim to release your money to your solicitor within 40 working days of your application being received and accepted by Just. If this doesn't happen and you've met all of the eligibility criteria, you'll receive a payment of £100.

The Saga Service Promise will not apply if you're using the Saga Lifetime Mortgage to purchase a new property, rather than re-mortgaging an existing one. For the full details and eligibility criteria, visit **[www.saga.co.uk/money/equity-release/terms-and-conditions](http://www.saga.co.uk/money/equity-release/terms-and-conditions)**.



# THE SAGA LIFETIME MORTGAGE

**This lifetime mortgage is exclusive to Saga customers and comes with a range of reassuring features and flexibility.**

The Saga Lifetime Mortgage, provided by Just, is a flexible lifetime mortgage for people aged 55 or over who have a suitable UK property worth £70,000 or more. You can choose to borrow the maximum amount available to you as a one-off lump sum or go for a smaller amount initially, followed by additional amounts at later dates from a pre-agreed limit. Getting later amounts is sometimes called a 'drawdown' and the good thing is that you'll only be charged interest on the money as it's released.

Depending on your personal circumstances, with the Saga Lifetime Mortgage you may be able to pay some or all of the monthly interest. Not only will this interest payment option reduce the overall cost of the lifetime mortgage loan, you may also benefit from a reduction from the roll-up interest rate (this will be detailed in your offer document). You also have the option to take a payment holiday of up to three months during any 12-month period.

Whatever version of the Saga Lifetime Mortgage you choose, it comes with:

- advice from qualified professionals
- 6-month Money Back Guarantee if you change your mind
- Saga Service Promise.

See pages 6 and 7 for more details.

## Pay interest now or later?

Most people choose to let the interest on a lifetime mortgage 'roll up' (or compound) – it gets added to the borrowed amount, and both are paid off together when the house is sold. But with some lifetime mortgages, you can choose to pay all or some of the interest as it arises.

The graphic on page 9 shows the difference in the remaining equity between three different interest repayment options. On the left, no interest is paid off during the mortgage. In the centre, half the interest is paid off monthly. On the right, regular monthly full interest payments have been paid.

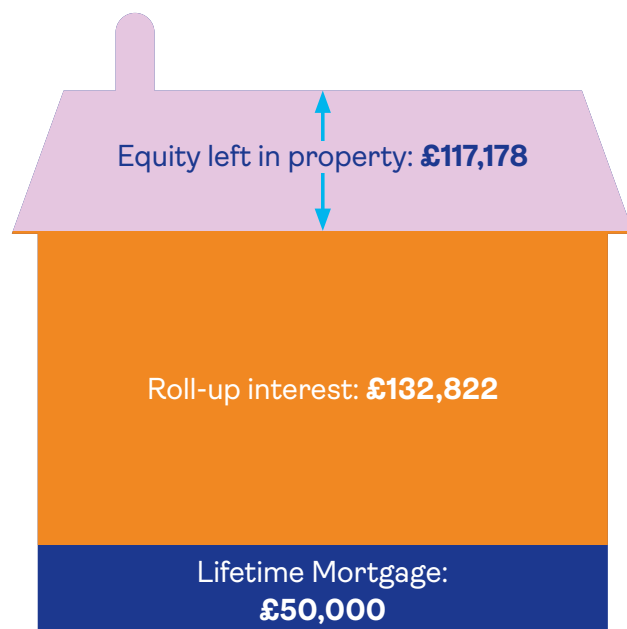
This fictional example shows how interest builds up on a lifetime mortgage over a 20-year period. The image shows the difference between standard roll-up (compound) interest and paying 50% and 100% interest over the 20-year period. The roll-up debt totals include initial advance and compounded interest. It's based on a 68-year-old borrowing a lump sum of £50,000 on a property valued at £300,000.

**Please note:** These figures are for illustration purposes only and do not include house price inflation. The interest rates used are 6.50% (monthly). The overall cost for comparison is 6.70% annual equivalent rate (AER). The actual rate charged will be at the prevailing rate at the time of each advance. The rates quoted assume no cash facility. Projections in the examples do not include fees. The loan projections may differ if fees are added to the loans.

“We took out equity release to help us release some cash for home improvements and give us more choice with our finances. The adviser was very thorough, dealing with all our questions quickly and efficiently. We couldn't praise her enough.”

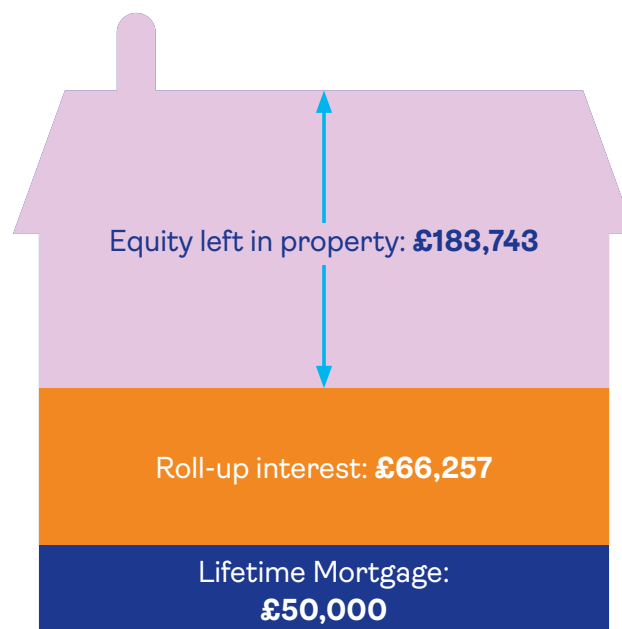
**Mr & Mrs Wakeling, Kent**

**No interest paid during mortgage term**



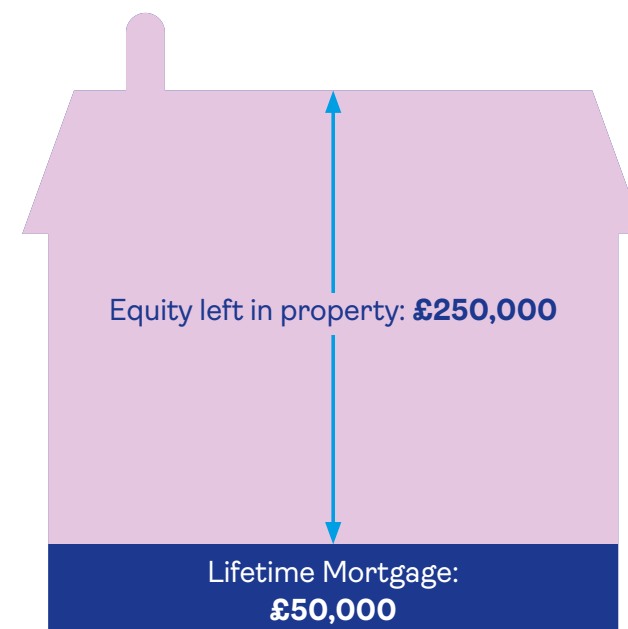
Total debt after 20 years:  
**£182,822**

**50% of interest paid monthly**  
(£135 monthly for 20 years = £32,400)



Total debt after 20 years:  
**£116,257**

**Interest paid monthly in full**  
(£270 monthly for 20 years = £64,800)



Total debt after 20 years:  
**£50,000**



“I’m extremely satisfied with the service I received. My adviser was able to explain equity release in an easy to understand way and he has the right knowledge to deal with my enquiry.”

**Stephen, West Bromwich**

# SAGA EQUITY RELEASE – STEP BY STEP

Here's how your Saga Equity Release journey could go.

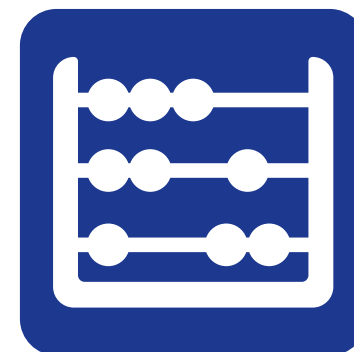
## Calculation



## Discussion



## Tax-free cash



### How much is available?

Use our online calculator at **[saga.co.uk/calculator](https://saga.co.uk/calculator)** to find out how much you could release. The Saga Equity Release team will then contact you to ensure your details are correct and see if you have any questions. If you want to find out more, they can also set up an appointment for you with an adviser. If you prefer, call **0800 015 0423** instead.

### Talk through your options

If you're ready to explore further, your adviser will assess your circumstances and go through your options – all with no obligation. They'll also check that you're receiving all the state benefits you're entitled to and whether these might be affected by equity release. If your eligibility and suitability for equity release is approved, your adviser will tell you what they recommend.

### Finalise the details

Your adviser will give you a detailed overview of your financial circumstances and let you know if the Saga Lifetime Mortgage is right for you. As part of this process, they'll go through all the risks with you, such as how releasing equity will lower the value of your estate. If you choose to go ahead, your adviser can help you to complete the paperwork. Once all the legalities are completed your cash will be released.

## HOW YOU'RE PROTECTED

The equity release industry is overseen by the Equity Release Council, which sets additional standards for providers and advisers. Saga, HUB Financial Solutions Limited and Just are all members of the Equity Release Council, which means if you go ahead with equity release through us you're protected in the following ways:

- Equity release will never leave you or your beneficiaries with a debt that is worth more than the sale price of your home when you (or the last borrower in a joint arrangement) die or move into permanent long-term care. In other words, there is a 'no negative equity' guarantee.
- You have the right to live in your home for life or until you (or the last borrower in a joint arrangement) move into permanent long-term care, provided you follow the terms and conditions of your contract.
- Lifetime mortgage interest rates must be fixed or, if they are variable, there must be a 'cap' or upper limit, which is fixed for the life of the loan.
- Your Saga Lifetime Mortgage will be presented in a clear way with a thorough explanation of its costs, benefits and limitations.
- You can choose your own solicitor to carry out all the legal work.
- You have the right to move your Saga Lifetime Mortgage to another suitable property without any penalties. For a property to be suitable, it needs to be acceptable to Just as continuing security for your lifetime mortgage. If your new property is worth less than your old home, you may have to repay some of the outstanding loan.
- The effect that equity release will have on your estate will be clearly explained by your adviser.

Visit [www.equityreleasecouncil.com](http://www.equityreleasecouncil.com) for more information



# VITAL THINGS YOU SHOULD KNOW

**Because equity release is a big decision to make, we cannot emphasise enough how important it is to know all the facts. And this includes the downsides as well as the benefits. If you meet one of the Saga Equity Release advisers, they'll go through all the things you should know, so you've got a clear picture of what equity release involves for you and your family. Things such as:**

- Most equity release is paid off using the sale of the house once you (or the last borrower in a joint arrangement) die or go into care permanently. This means your beneficiaries will not inherit your home or all the money raised through selling it, unless the equity release debt can be paid off using other funds available.
- If you get means-tested state benefits, they may be reduced or stopped if you receive money from equity release.
- There will be some legalities to sort out, similar to when you buy or sell a house, which may involve paying for a solicitor, conveyancing and searches.
- Do you really need to take out equity release? You could get the money you want by downsizing your home, which may mean no ongoing debt or interest to pay.
- You could check you are receiving all the benefits and grants you're entitled to. If you speak to a Saga Equity Release adviser, they'll check this for you as part of the service.
- We find that most people choose not to make regular interest payments on a lifetime mortgage and allow the interest to build up over time and pay off the lump sum and interest all in one go at the end. The interest on a lifetime mortgage like the Saga Lifetime Mortgage is compounded (rolled up) so you pay interest on the interest. Depending on your personal circumstances, you may be able to avoid the interest mounting up by paying all or some of it back monthly, similar to an interest-only mortgage.
- You may have to pay an early repayment charge if you overpay more than your mortgage terms allow or you repay the mortgage early. Your adviser will tell you about this before you make a decision.



# FREQUENTLY ASKED QUESTIONS

If you can't find your question here or the answer still leaves you wanting to know more, call Saga Equity Release free on 0800 015 0423.

## Who can apply for equity release?

You must be 55 or over and own your home, which must be in the UK and worth at least £70,000. You can also apply for equity release jointly.

## Will I still own my home?

If you take out a Saga Lifetime Mortgage, the property remains in your name, as it would with a conventional mortgage.

## Are there any alternatives to equity release?

Yes, and your adviser will discuss these with you. Some options might be to move to a cheaper property, rent out a room in your current home or ask for help from your family.

The adviser will also make sure you're receiving all the state benefits you're entitled to.

Another alternative you could consider is a retirement interest only mortgage. Often known as RIO mortgages, they allow you to take out a loan against the value of your home. You then repay the interest every month, but not the capital of the loan.

## How much can I release?

The amount you can release depends on your age and the value of your property. You can get an idea of how much this might be by using our equity release calculator at [saga.co.uk/calculator](https://saga.co.uk/calculator).

## Will my health affect my eligibility?

Certain health conditions and lifestyle factors could make you eligible for an enhanced lifetime mortgage.

## Can I take out equity release if I still have a mortgage?

It depends on the value of your home and the amount remaining on the existing mortgage. Any outstanding mortgage secured against your home will have to be paid off at the same time as taking out equity release. You can use some or all of the funds released to repay an outstanding mortgage, provided you can release sufficient equity to do so. However, keep in mind that using equity release to repay an existing mortgage may cost more in the long term.

## How much does it cost?

Along with paying the loan there are other costs involved such as paying for a solicitor and conveyancing. You'll need to pay an advice fee of £799 if you decide to take out a Saga Lifetime Mortgage. With the Saga Lifetime Mortgage, there are no valuation or set-up fees.

Your adviser will talk you through these costs during your advice appointment.

## How much will I owe?

With a Saga Lifetime Mortgage, the amount that will need to be repaid depends on the amount of equity you release, how long you've had the loan, the rate of interest charged, any interest payments made and any fees added. If you repay the loan early or if you overpay more than your mortgage terms allow, there may be an early repayment charge to pay.

## Can I move house?

Generally, yes. Your Saga Lifetime Mortgage can be transferred to a new home as long as the property is acceptable as continuing security for your loan. If your new property is worth less than your old home, you may have to repay some of the outstanding loan.

## Can I change my mind?

The Saga Lifetime Mortgage comes with a unique Money Back Guarantee. If you change your mind within 6 months of completion, you can repay the money without any interest payments or charges. To be eligible for this guarantee, your initial advance must not exceed £150,000.

Visit [www.saga.co.uk/money/equity-release/terms-and-conditions](http://www.saga.co.uk/money/equity-release/terms-and-conditions) for full terms and conditions.

After 6 months, you can still change your mind. However, there will be an early repayment charge and accrued interest to pay.

## Will I be able to leave an inheritance to my children?

With equity release you could help your family while you are still living, but in turn, it does mean that you will leave less in your will. Your adviser will tell you how releasing equity will reduce the value of your estate.

With the Saga Lifetime Mortgage, if your home sells for more than you owe, the excess would form part of your estate. Depending on your personal circumstances you may be able to make the excess bigger or increase the certainty of there being money left over by making monthly interest payments. You can see an example of the difference this could make on page 9.

Equity release will not affect any other money you leave as part of your inheritance – for example, from savings or life assurance policies. Gifting money may be subject to inheritance tax.

## Am I at risk of negative equity?

As we're members of the Equity Release Council, the Saga Lifetime Mortgage comes with a 'no negative equity' guarantee. This means that when the property is sold after you die or have moved into permanent long-term care, you or your beneficiaries will not have to repay more than the sale proceeds even if this is less than the amount owed.

## How long will it take to get my money?

Releasing equity is much like buying a house, so it is not an instant process. Your adviser needs to talk to you and assess your finances and for you to make an informed decision. But we know that once you've decided, you want things to proceed quickly.

The Saga Lifetime Mortgage comes with the Saga Service Promise that we'll aim to release your money to your solicitor within 40 working days from your application being accepted. You'll get £100 if this doesn't happen.

The Saga Service Promise will not apply if you're using the Saga Lifetime Mortgage to purchase a new property, rather than re-mortgaging an existing one. For the full details and eligibility criteria, visit [www.saga.co.uk/money/equity-release/terms-and-conditions](http://www.saga.co.uk/money/equity-release/terms-and-conditions)

## Want to know more?

- Use the quick calculator for an idea of how much you could release at [www.saga.co.uk/calculator](http://www.saga.co.uk/calculator)
- Visit [www.saga.co.uk/money/equity-release](http://www.saga.co.uk/money/equity-release)
- Call 0800 015 0423 Monday to Thursday 9am-8pm, Friday 9am-5.30pm Saturday 10am-3pm (excluding bank holidays).

# WE WOULD LIKE TO INTRODUCE YOU TO THE WHOLE FAMILY

You are in safe hands with Saga. With more than 70 years' experience of designing and delivering award-winning products for people over 50, you can trust us to provide high quality, value and excellent service.



## CRUISES

Step aboard our boutique ocean and river cruise ships designed with our guests in mind and experience all-inclusive luxury cruising.

**[saga.co.uk/cruises](https://saga.co.uk/cruises)**



## HOLIDAYS

Explore a world of destinations with our range of carefully-selected hotels and expertly guided tours created for travellers over 50.

**[saga.co.uk/holidays](https://saga.co.uk/holidays)**



## INSURANCE

Enjoy peace of mind for your home, car, health and travel plans with our wide range of insurance products designed for you.

**[saga.co.uk/insurance](https://saga.co.uk/insurance)**



## MONEY

Plan, protect and make the most of your finances with our innovative products and expert guidance tailored to you.

**[saga.co.uk/money](https://saga.co.uk/money)**



## MAGAZINE

Be inspired by our award-winning magazine, join our great-value wine club and discover new connections with our dating service.

**[saga.co.uk/magazine](https://saga.co.uk/magazine)**

# SAGA

Experience is everything



Find out more about our full range of products at **[saga.co.uk](https://saga.co.uk)**



## WANT TO KNOW MORE ABOUT SAGA EQUITY RELEASE?

For more information on Saga Personal Finance visit our website at

**[saga.co.uk/money](https://saga.co.uk/money)**

To find out more about equity release, Saga Equity Release and the Saga Lifetime Mortgage visit

**[saga.co.uk/equity-release](https://saga.co.uk/equity-release)**

To find out more or book a no-obligation appointment call Saga Equity Release on

**0800 015 0423**

Lines are open Monday to Thursday 9am-8pm, Friday 9am-5.30pm, Saturday 10am-3pm (excluding bank holidays).

Calls are monitored for training and regulatory purposes.

The advice you receive through Saga Equity Release is provided by HUB Financial Solutions Limited, who pay Saga an introductory fee if you decide to take out a product. The Saga Lifetime Mortgage is provided by Just. Just is a trading name of Just Retirement Money Limited which is registered in England and Wales Number under company number 09415215. HUB Financial Solutions Limited is registered in England and Wales under company number 05125701. The registered address for Just Retirement Money Limited and HUB Financial Solutions Limited is Enterprise House, Bancroft Road, Reigate, Surrey RH2 7RP.

Just Retirement Money Limited and HUB Financial Solutions Limited are authorised and regulated by the Financial Conduct Authority and are part of Just Group plc.

Saga Personal Finance is a registered trading name of Saga Personal Finance Limited, which is registered in England and Wales (Company No. 3023493).

Registered office: 3 Pancras Square, London N1C 4AG. Saga Personal Finance Limited is authorised and regulated by the Financial Conduct Authority.