

[Focus]

Porting

Customer Guide



F
wh

We know that sometimes life changes, and you may want to move house. Our lifetime mortgages can be moved from one property to another, offering you flexibility and peace of mind. This means you can focus on what's important to you.



**Focus on
what matters**

7



**We believe in being
here to support you,
helping you to focus
on what matters.**





What is porting?

Put simply, porting is when you transfer your lifetime mortgage from your existing property to a new property. Our range of lifetime mortgages offer you the option to port your mortgage to a new property, however there are some key requirements that you need to meet.

If you're considering moving house, it's important that you let us know as soon as possible so that we can confirm whether you'll be able to transfer your lifetime mortgage. Over the next few pages we'll outline the key requirements, as well as giving you more detail about what you need to consider and how to start the process.

Do I need to port my lifetime mortgage?

If you decide to move home, you can choose whether to keep your lifetime mortgage with us.

Our lifetime mortgages can be repaid at any time, so if you choose not to keep your lifetime mortgage you can contact us and arrange to settle your outstanding loan balance. However, our plans are designed to last for the rest of your life, so an early repayment charge may be payable if the loan is repaid early.

You can find out whether an early repayment charge will be applied to your lifetime mortgage by looking at your Offer letter or an Annual Statement, or by contacting our Customer Services Team.

If you would like to keep your lifetime mortgage, you will be able to transfer the loan with the same Terms & Conditions, subject to the new property meeting our lending criteria.

Do I need to take financial advice?

You may wish to consider taking financial advice when you port your mortgage. In some circumstances it is a requirement and we will let you know if this is the case. For example, you will need to appoint a financial adviser if you want to borrow more money at the same time. Where it is not a requirement, it is your choice whether to appoint one.

Am I eligible to port my lifetime mortgage?

To be eligible to port your lifetime mortgage, you and your new property will need to meet some key requirements, the most basic of which are:

- You can't have entered into bankruptcy or an involuntary arrangement since your lifetime mortgage started.
- Your new property needs to meet our current lending criteria at the point of application

How do I know if my new property meets your lending criteria?

Your new property will need to meet our lending criteria. Our Customer Services Team can help you understand whether your new property would be acceptable to us. Your financial advisor will also be able to help, if you have appointed one.

You can find out more information about our lending criteria in our Porting Application Form, but some points to consider are:

- The property can't be in poor condition
- If you're moving into a flat, the service charge must meet our criteria
- If you're moving into sheltered accommodation, the amount that you can borrow may be reduced
- If you're moving into a leasehold property, the unexpired lease must meet our criteria
- If the property is next to shops, pubs, restaurants, a school or office blocks, it may not meet our criteria
- If the property is not standard construction, it may not meet our criteria

Will my lifetime mortgage balance be affected if I move house?

If your new property is of a lower property value than the selling price of your current home, you may need to repay some of the mortgage.



We won't charge you an early repayment charge if you need to make a repayment for this reason, and your solicitor will explain it in more detail. If you have a cash reserve facility, it may be reduced or removed if you move to a property with a lower value too.

If your new property is a higher value, you may be able to increase the amount which you borrow. You will need to speak to a financial adviser if you wish to do this. They will be able to talk you through the options available to you in more detail.

If your property is valued at two different prices, we will always use the lower valuation in our calculations. For example, if a valuation confirms your property value as £190,000 but you negotiate a lower purchase price of £185,000, we will use the lower value of £185,000.

If you would like to find out whether moving property will impact your lifetime mortgage, please contact our Customer Services Team. They will be able to give you an indicative illustration.

We have outlined examples for a purchase of a new property with a lower value and a higher value, to show how it affects the outstanding mortgage balance:



A new property with a lower value

Selling price of current home	£185,000
New property value (lower of purchase price or valuation):	£135,000
Current outstanding loan	£40,000
Current loan-to-value (LTV)	21.6%
LTV available if purchasing mortgage today	26%
Amount available on new property value is the higher of:	
1) 26% of £135,00 + £650*	= £35,750
2) $\frac{£40,000 \times £135,000}{£185,000}$	= £29,189
	* completion fee
Amount which can be transferred to the new property	£35,750
Outstanding mortgage balance	£40,000
Amount to repay	£4,250
New LTV	26%



A new property with a higher value

Selling price of current home	£300,000
New property value (lower of purchase price or valuation):	£400,000
Current outstanding loan	£57,000
Current loan-to-value (LTV)	19.0%
LTV available if purchasing mortgage today	34%
Amount available on new property value is the higher of:	
1) 34% of £400,00 + £650*	= £136,650
2) $\frac{£57,000 \times £400,000}{£300,000}$	= £76,000
	* completion fee
Amount which can be transferred to the new property	£136,650
Outstanding mortgage balance	£57,000
Additional amount available to borrow as a further advance	£79,650
Potential new LTV	34%



Please note, these figures are for illustrative purposes only. You are not required to take out additional borrowing if you move to a higher value property.



How do I port my lifetime mortgage?

1. Research

Before porting your lifetime mortgage, it's important to research all of your options, to make sure it's the right choice for you. You may also want to consider taking financial advice, to find out which option best meets your needs

2. Contact our Customer Services Team

It's important to let us know as soon as you're considering moving house. If porting is the right option for you, we'll be able to explain the next steps in more detail, and help you start a porting application.

Before you complete an application form, we'll check that the new property is acceptable to us and meets our current lending criteria. If you have sales particulars of the new property you can share them with us to review, or we'll consider it by looking at the postcode and other key details.

You will also need to know the selling price of your current property, and the purchase price of the new property at this point.

Our Customer Services Team will be able to give you an indicative decision about the new property, as well as if there will be any changes to your lifetime mortgage if the move goes ahead.

3. Fill out an application form

Once you're happy, you'll need to complete an application form. Our Customer Services Team can help you with this if you have any questions.

4. Appoint your solicitor

Your solicitor will complete the conveyancing on your behalf. Your solicitor will need to offer Conveyancing Residential as an area of law and be a member of the Law Society.



5. Have the new property valued

We will appoint an independent valuer who will contact the estate agent or the seller of the new property to carry out a valuation. Once the valuer has visited the new property, our Underwriters will review the valuation report and ensure that the property meets our lending criteria.

6. Canada Life will send you the porting terms

If the property is acceptable to us, you'll receive a letter from us detailing the porting terms and confirming the details of your 'ported' mortgage. Our solicitors, Konexo, will also send a copy of these terms to your solicitors, who will start the legal process.

7. Legal process

The porting application will run alongside your property purchase. We'll instruct Konexo to contact your solicitors with the documents and requirements they will need to satisfy our requirement. You and your solicitors need to factor in the timescales of Konexo regardless of the stage you've reached with your buyer(s) and seller(s). You should not agree any dates with your chain until Konexo have confirmed they have the information and documents they need and that they have no further requirements to complete the port.

8. Completion of the port

Once we've received the correct documents and have carried out the necessary checks, we'll transfer the lifetime mortgage to your new property. If you're making a part-redemption it will be applied at this stage. We'll also remove the charge we hold on your current property and put a charge on your new property.

How long does it take?

Porting your lifetime mortgage will usually take between 8 to 12 weeks. The legal stage is generally the lengthiest part of the application and can take between 7 to 9 weeks (although it can take longer if the case is more complex).

How much does it cost?

When you port a lifetime mortgage, there are some charges that you will need to pay. Below are the main costs – please refer to ‘Our Charges’ leaflet for more detail on the costs involved. This document is available on our website, or you can ask our Customer Services Team for a copy.

Valuation Fee

This covers the cost of valuing the new property and is payable by you when you submit the application.

Completion Fee

This is only paid upon completion of the transfer of your lifetime mortgage. It is payable by you when you submit the application, but will be refunded to you if your application does not complete.

Your solicitor’s fees

You should agree these with the solicitor of your choice, and they are payable by you. Our legal fees are covered within the Completion Fee.

Your financial adviser’s fees

If you have chosen to take financial advice, you may be charged an advice fee by your financial adviser. In some circumstances you may be required to take financial advice, for example, if you are applying for additional borrowing at the same time as porting your lifetime mortgage. The fees are payable by you.

Any other associated fees

Any other associated fees, including estate agent fees, are payable by you.

Do I need to pay early repayment charges?

When you transfer your lifetime mortgage to a new property you do not need to pay any early repayment charges.

Getting in touch

Our Customer Services Team will be able to answer any questions you may have about porting.

You can contact us in the following ways:

By post

Canada Life Home Finance,
Canada Life Place, Potters Bar,
Hertfordshire, EN6 5BA



By email

hf-customers@canadalife.co.uk



Call us

0800 068 0212



Online

www.canadalife.co.uk



Our telephone line is open between 9.00am and 5.00pm, Monday to Friday. Please note that 0800 numbers will not be charged from a BT landline. Calls from other networks may vary, please contact your network provider for details. Telephone calls may be recorded for training and quality monitoring purposes.



Our approach to porting means that you focus on what's most important to you.



Telephone calls may be recorded for training and quality monitoring purposes. Stonehaven UK Limited, trading as Canada Life, registered in England and Wales no. 05487702.
Registered office: Canada Life Place, Potters Bar, Hertfordshire EN6 5BA. Stonehaven UK Limited is authorised and regulated by the Financial Conduct Authority.

Canada Life and design are trademarks of The Canada Life Assurance Company.