



Explore

**Buy-to-Let
Products**

Customer Guide

A woman with braided hair is shown in profile, looking upwards and to the right with a slight smile. She is holding a camera with a large lens. The background is a soft-focus green, suggesting an outdoor setting. The text 'Exp' is partially visible at the top right, and 'opp' and 'rele' are visible below it. A large red L-shaped graphic is positioned between the text and the woman's face.

Exp opp rele

Our Buy-to-Let mortgages allow you to release money from your property, tax free. You retain ownership, and continue to receive your rental income too.

Explore the idea of using your property to your advantage.

Explore the opportunity of leasing equity





We believe in being here to support you, giving you the freedom to explore your retirement.



Why Canada Life?

Canada Life has been providing retirement solutions for our customers for a long time. We've actually been in the UK since 1903, looking after the retirement, investment and protection needs of customers. We're here to help you get ready for your retirement with confidence, by making things clear and straightforward.

Our vision is to help create financially secure futures and be a world class financial services provider. Putting customers at the heart of everything we do. Visit www.canadalife.co.uk to find out more.

What you can expect from Canada Life

Great service, support and financial strength.

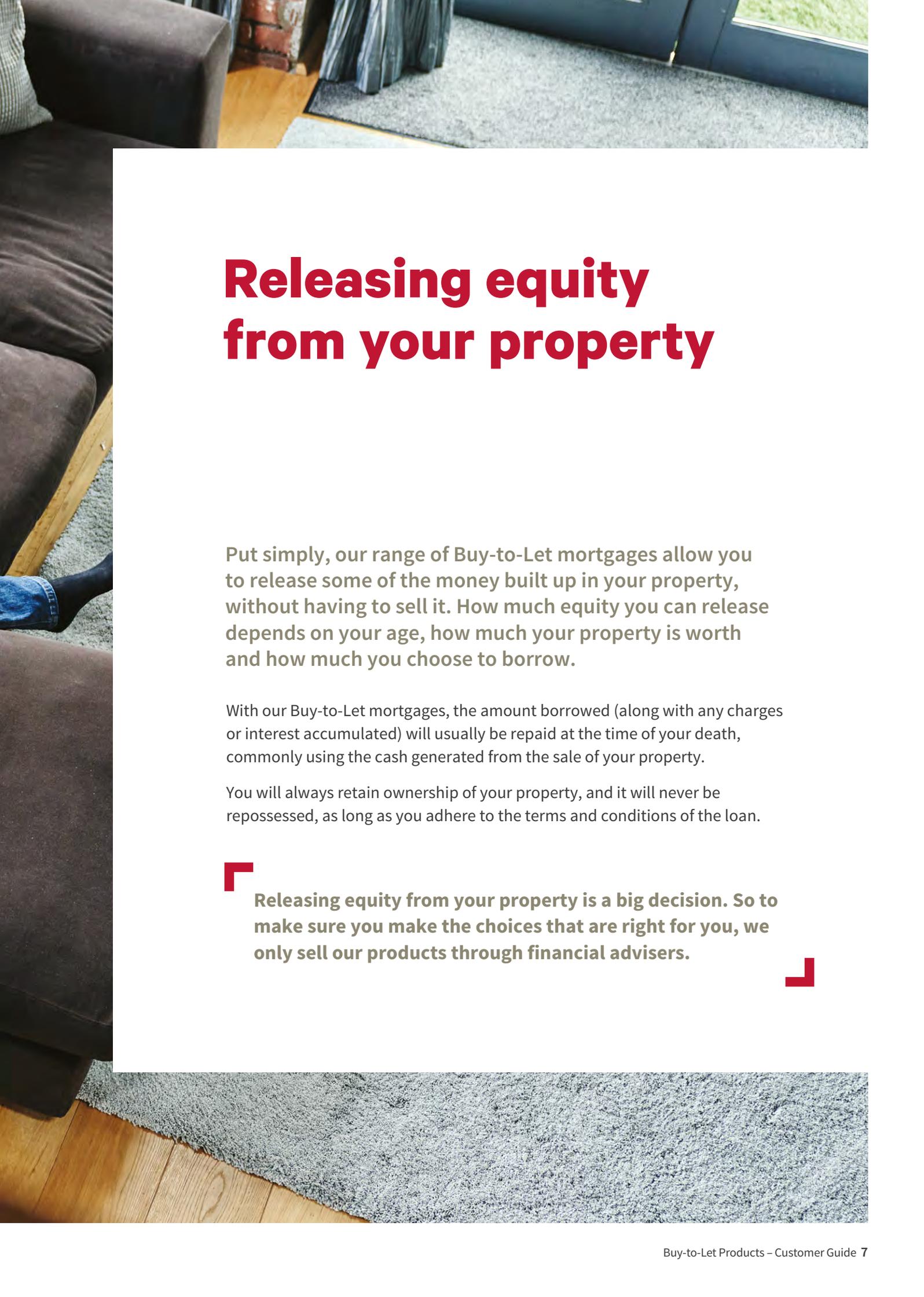
At Canada Life we believe in being here to support you through retirement, so we make it our mission to make the process of dealing with us as easy and as smooth as possible. We're proud of our heritage and our financial strength.

We've been around for a long time. In fact, we were founded in 1847 in Canada, making us the oldest Canadian life assurance company. Canada Life is part of Great-West Lifeco Inc., one of the largest Canadian life and health insurance companies. We have £1.539trn of assets under management as at 31 March 2023.

Great-West Lifeco serves several million people worldwide, providing a wide range of retirement savings and income plans, as well as comprehensive protection contracts for individuals and families.







Releasing equity from your property

Put simply, our range of Buy-to-Let mortgages allow you to release some of the money built up in your property, without having to sell it. How much equity you can release depends on your age, how much your property is worth and how much you choose to borrow.

With our Buy-to-Let mortgages, the amount borrowed (along with any charges or interest accumulated) will usually be repaid at the time of your death, commonly using the cash generated from the sale of your property.

You will always retain ownership of your property, and it will never be repossessed, as long as you adhere to the terms and conditions of the loan.

Releasing equity from your property is a big decision. So to make sure you make the choices that are right for you, we only sell our products through financial advisers.



Is an Over 55 Buy-to-Let Mortgage right for me?

People choose to release equity from their property for various reasons – from supplementing their own pensions or paying off existing mortgages, to giving their loved ones a lump sum towards buying properties of their own.

Whatever the reason it's important to remember that taking out an Over 55 Buy-to-Let Mortgage is a long-term commitment, as it is usually designed to be paid back only when you die. You should consider the options available to you, as there may be more suitable ways of raising the money – such as selling the property, or using your savings.

It's also important to consider that an Over 55 Buy-to-Let Mortgage could impact your eligibility for means-tested state benefits. If you own a Buy-to-Let property in the UK, your tax position may also be impacted. For example, Income Tax may be payable on any rental income you receive, and Capital Gains Tax may be payable if you sell your property before you die. It may also affect the amount of Inheritance Tax which is payable by your beneficiaries.

It's a good idea to talk these outcomes through with your family, as well as discussing your options and tax position with a financial adviser. The Residential Landlords Association provides additional Tax information.

Visit www.rla.org.uk.



Am I eligible?

To be eligible for a Canada Life Buy-to-Let Mortgage, you will need to meet some key requirements, the most basic of which are:

- You must own the property
- You must be a UK resident
- You must be 55 years of age or older

For your property to be eligible:

- It must be in England, Scotland or Wales
- It must not be lived in by you, the owner, or your family
- It must be let out under an Assured Shorthold Tenancy (AST)

The other requirements relate to the type of tenancy agreement you have in place, as well as the tenants in the property. Your financial adviser will be able to talk you through our criteria in more detail.

How much can I borrow?

The amount that you can borrow depends on your circumstances, which include your age and the value of your property. If there are two of you borrowing together, the amount available will depend on the age of the younger borrower. In order to gain an accurate value of your property, an independent valuer will be appointed by us.

To find out how much you can borrow speak to your financial adviser.



How do I take out an Over 55 Buy-to-Let mortgage?

1. Research

Before taking out an Over 55 Buy-to-Let mortgage it's important to research all of your options, to make sure it's the right choice for you.

2. Talk to your family

As an Over 55 Buy-to-Let mortgage could affect your family, we encourage you to talk to them before making a decision.

3. Talk to your financial adviser

If, after discussing your options, your adviser decides a Canada Life mortgage is right for you, they'll provide you with a summary of the important details and costs involved – called a personalised illustration.

4. Fill out an application form

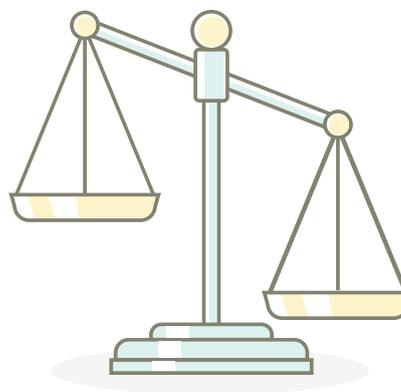
Once you're happy, you'll need to complete an application form. Your financial adviser will help you with this and will be responsible for sending it back to us. At this point you'll need your solicitor's details and may need a cheque for the valuation fee.

5. Have your property valued

We will appoint an independent valuer who will contact you to arrange a convenient time to visit your property to carry out a valuation.

6. Appoint your solicitor

To make sure you fully understand the implications of your decisions, we ask that you discuss it with your own solicitor before committing to an Over 55 Buy-to-Let Mortgage. If you don't have a solicitor you can visit the Equity Release Solicitors' Alliance at www.ersalaw.co.uk.



7. Canada Life will make you an offer

Following your property valuation, we will confirm how much you can borrow, and send an Offer Letter to you, your solicitor and your financial adviser.

8. Legal process

After your solicitor has received a copy of the Offer Letter they'll talk you through the offer. When you're happy, you'll be asked to sign a Mortgage Deed and your solicitor will sign a certificate to confirm the essential features and implications of the plan have been explained to you.

9. Cash released

Once we have received the correct documents and have carried out the necessary checks, we will release the cash to your solicitor. In the majority of cases, they will then arrange for the funds to be transferred to you.

How much does it cost?

When you take out an Over 55 Buy-to-Let 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 your financial adviser for a copy.

Valuation Fee

This covers the cost of valuing your property and may be payable when you submit the application.

Completion Fee

This is only paid upon completion of your mortgage. You can usually pay this at the point of completion or add it to your loan.

Your solicitor’s fees

You should agree these with the solicitor of your choice. Our legal fees are covered within the Completion Fee.

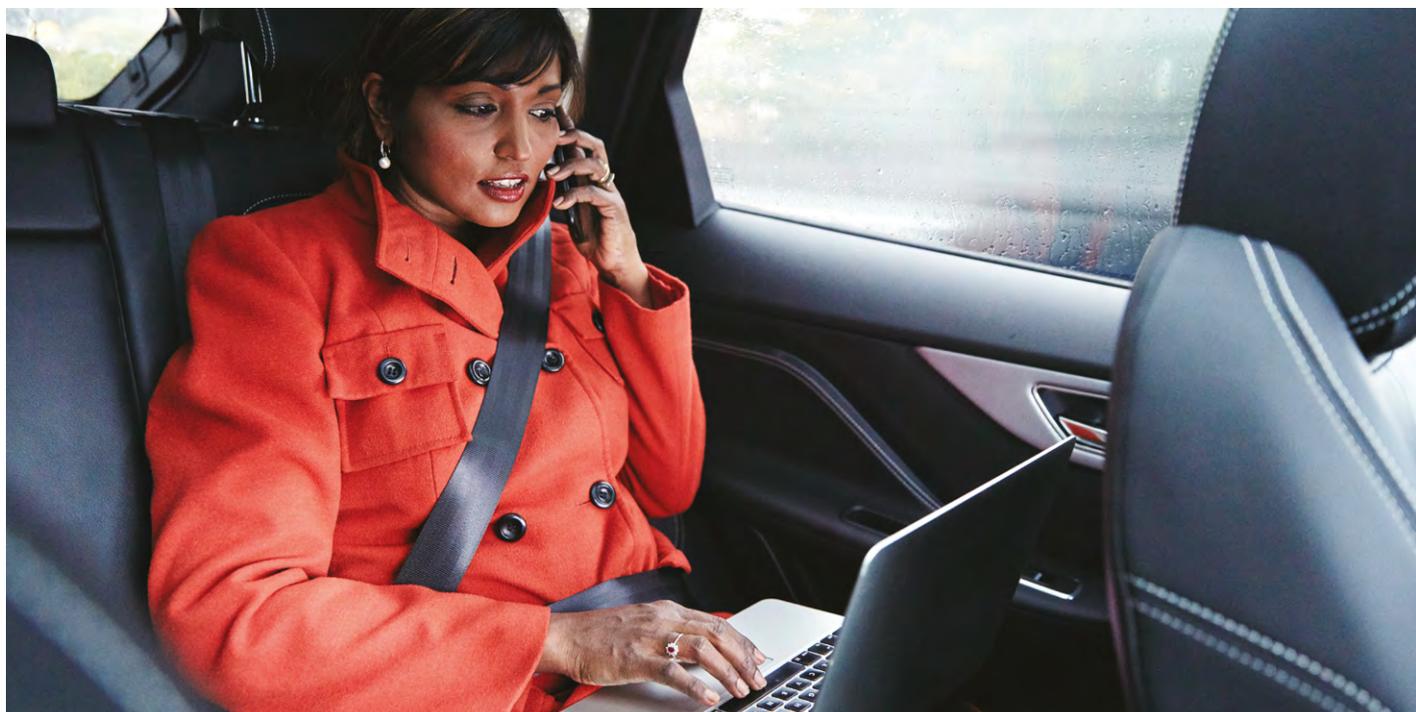
Your adviser’s fee

You may be charged an advice fee by your financial adviser.

Early Repayment Charges (ERCs)

The loan may be repaid in full, or in part, at any time. However, our plans are designed to last for the rest of your life so an ERC may be payable if the loan is repaid earlier. Your financial adviser will explain when and how you may have to pay this.

It is also clearly explained in your personalised illustration.



Our Buy-to-Let products

Over the next few pages we'll outline the products we provide, which allow you to tailor how you release cash from your property.

You can find out more about our range of products on our website, www.canadalife.co.uk

An overview of our Buy-to-Let product

Our product is designed to unlock equity from your Buy-to-Let property. To find whether it suits your circumstances, speak to your financial adviser.

We offer capital and interest repayment mortgages, which offer you flexibility and choice to help you stay in control of your finances.

These options allow you to pay back a portion of the initial mortgage balance each year, without having to pay an early repayment charge.



You can choose how much to pay and how frequently. The flexible payments mean that you can maintain control of your mortgage, and you can choose whether to pay off some of the interest and/or capital each year. The voluntary payments are not mandatory so if you do not make any payments there are no penalties.

Our other solutions

We also offer a range of products which can be secured on your main residence or second home. If you'd like to find out more about these options, please refer to 'Lifetime Mortgages – Customer Guide'.



Get in touch with your financial adviser to explore the options available to you.

Product features

Our products come with many features set as standard. The following apply to all of the products in our range:

Option to make payments

Because the loan is usually repaid from the sale of your property when you die, you can choose whether to make any payments during the term of the mortgage. Your financial adviser will talk you through the options available to you.

No minimum income requirements

Because payments are optional, we won't ask you to meet any minimum income requirements.

No affordability assessments

We won't ask you to pass any affordability assessments, because payments are optional.

An indefinite term

Our mortgages are designed to last the rest of your life, so you don't need to refinance at a later date.

Fixed interest rate

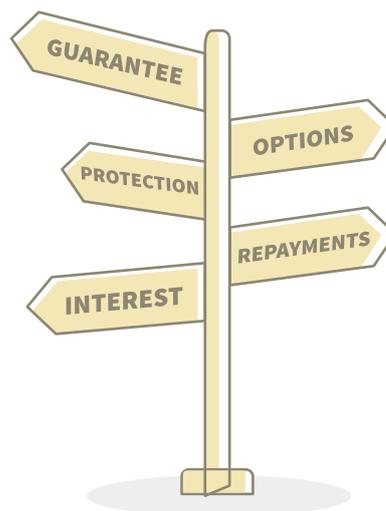
The rate of interest is fixed for the duration of the loan, which means you won't get any surprises later on down the line. Any additional borrowing is also at a fixed rate, but the rate is set at the time you apply and can be different from the initial rate of the loan.

Continued rental income

You will continue to receive ongoing income from your tenants.

No negative equity guarantee

We guarantee that when your property is sold, if the proceeds after solicitors' and estate agents' fees are not enough to pay the amount owed to us, we will



not ask you or your beneficiaries to pay the shortfall. If your property is sold for more than the amount you've borrowed against it, the amount left over belongs to you or your beneficiaries.

Retained ownership

With our products, as long as you keep to the terms and conditions of the loan, you will always retain ownership and control of your property. This also means that you are responsible for maintaining it.

No repossession

Providing you adhere to the terms and conditions of the loan, we won't repossess the property. Even if the loan, including rolled-up interest, exceeds the value of the property, you won't have to worry.

Repayment of the loan

The loan, and all outstanding interest and charges, is usually repaid from the sale of your property when you (or the last surviving borrower) die. Or, if they prefer, your beneficiaries can choose to repay the loan without selling the property. Your estate will retain full ownership of your property until it is sold and they will receive any amount left over.



Important information

Regulation

Canada Life is regulated by the Financial Conduct Authority (FCA).

Please note, whilst our Buy-to-Let mortgages share characteristics with a lifetime mortgage, they are not a lifetime mortgage as defined by the FCA. We have chosen to present the information we provide about these products in the same format as our lifetime mortgage products and you will still receive a personalised illustration from your financial adviser before you apply for the product.

There are two different types of mortgages for Buy-to-Let properties:

‘Buy-to-Let’ is used to describe most mortgages on properties that are let out. These are not regulated by the FCA. This means that you will not benefit from the protection of the FCA conduct rules or the Financial Services Compensation Scheme (FSCS).

‘Consumer Buy-to-Let’ is used to describe mortgages on properties that were not originally purchased to let out. This could be because they have been inherited or were previously the owners’ main residence, for example. These are regulated by the FCA. This means that you will benefit from the protection of the FCA conduct rules and the Financial Services Compensation Scheme (FSCS).

Our Consumer Buy-to-Let products meet the regulatory requirements for Consumer Buy-to-Let, and Canada Life are registered with the FCA as a Consumer Buy-to-Let lender.

Our products can be used for either scenario. For more information, please speak to your financial adviser.

Equity Release Council product standards

Canada Life are a member of the Equity Release Council. However, our Over 55 Buy-to-Let Mortgages do not meet all of the Councils product standards because the mortgage isn’t being secured against your main residence. Instead, money is being unlocked from your Buy-to-Let property. Therefore the right to remain in the property for life, or until you move into long term care, do not apply as these standards are designed to protect you only in your main residence.

In addition, our Over 55 Buy-to-Let Mortgages do not include the right to move the product to a suitable alternative property.

The remaining product standards apply in full to this product range, including a fixed interest rate for the life of the loan, a No Negative Equity Guarantee, and independent legal advice.



Additional Borrowing

With our mortgages, you may be able to access further funds at a later date. Your financial adviser will be able to discuss this with you in greater detail.

Further Advance

If you'd like to borrow more money from your property, you can apply for a further advance. You can do this at any point, providing your application meets our lending criteria, and there's enough equity still in your property. This must all be done through your financial adviser.

A fixed interest rate will be applied to your further advance, and the interest rate may be higher or lower than the interest rate which is applied to your initial advance. To view our current interest rates, visit www.canadalife.co.uk.

Your financial adviser will be able to tell you about the fees associated with a further advance. You may need to pay a valuation fee and a completion fee, and your financial adviser may also charge you an advice fee.



Early Repayment Charges (ERCs)

Our mortgages can be repaid at any time. 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.

Our early repayment charges have been designed with you in mind. They are fixed, transparent, and simple to understand. They let you know where you stand throughout your lifetime mortgage and give peace of mind from the outset. There are a number of circumstances where an early repayment charge won't be applied, too.

You can find more information at www.canadalife.co.uk, or your financial adviser can explain it in more detail.

Getting in touch

Your financial adviser will be able to answer any questions you may have about our range of products.

You can also contact us in the following ways:

By post

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



Call us

0800 068 0212



By email

hf-customers@canadalife.co.uk



Online

www.canadalife.co.uk





Explore the potential of your Buy-to-Let property, at the same time as keeping your portfolio intact.



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