

# [ Freedom ]

**Lifetime  
Mortgages**  
Customer Guide





Our lifetime mortgages have been designed with you in mind and can be tailored to meet your individual needs.

**Find freedom through our flexibility.**





# Freedom through choice







We believe in being here to support you, giving you the freedom to make the most of 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 global vision is to build stronger, more inclusive and financially secure futures for our customers. We're dedicated to delivering this, in an ever-changing world, and are ready to adapt and meet the evolving needs of our customers, so they can feel financially secure and make the most of life. Visit [www.canadalife.co.uk](http://www.canadalife.co.uk) to find out more.

### What you can expect from Canada Life

#### Great service, support and financial strength.

We're proud of our heritage and our financial strength. 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 £1.5tn of assets under administration 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.











## What is equity release?

Put simply, equity release is a way of releasing 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.

There are two different types of equity release plans – ‘home reversion plans’ and ‘lifetime mortgages’. At Canada Life we offer lifetime mortgages; however, we believe it is important you understand how both work.

### Home reversion plans

With a home reversion plan, you sell all of your property in exchange for a cash lump sum. Ownership passes to the reversion company, but if it is your main residence you have the right to remain in the property rent free. Some schemes allow you to retain an interest in the property, as if you’ve only sold part of it.

### Lifetime mortgages

With a lifetime mortgage, a long-term loan is secured against your property. The amount borrowed (along with any charges or interest accumulated) will usually be repaid at the time of your death or when you move into long-term care. You will always retain ownership of your property, and it will never be repossessed, as long as you abide by the terms and conditions of the loan.

**Releasing equity from your property is a big decision. So, to ensure that you're making choices that are right for you, we only sell our lifetime mortgage products through a financial adviser.**





### Is a lifetime mortgage right for me?

People choose to release equity for different 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 a lifetime mortgage is a long-term commitment, as it's usually designed to be paid back only when you die or if you move permanently into long-term care. You should consider the options available to you, as there may be more suitable ways of raising the money – such as downsizing, or using your savings.

It's also important to consider that a lifetime mortgage could impact your tax position and your eligibility for means-tested state benefits. It might also change the amount of inheritance your beneficiaries receive. So, along with discussing your options with a financial adviser, it's a good idea to talk these outcomes through with your family.





### 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.



### Am I eligible?

To be eligible for a Canada Life lifetime 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
- Your property must be in England, Scotland or Wales
- Your property must be your main residence.

The other requirements relate to your personal circumstances and your property. Some restrictions may apply over the type of property you own.



## How do I take out a lifetime mortgage?

### 1. Research

Before taking out an equity release product, 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 a lifetime 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 lifetime mortgage is right for you, they'll provide you with a summary of the important details and costs involved – called a 'Key Facts Illustration' (KFI) or personalised illustration.

For help finding an independent financial adviser, visit [www.canadalife.co.uk](http://www.canadalife.co.uk).

### 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.

### 5. Have your property valued

We'll 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, all Equity Release Council members require that you discuss it with your own solicitor before committing to a lifetime mortgage. If you don't have a solicitor you can visit the Equity Release Solicitors' Alliance at [www.ersalaw.co.uk](http://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've 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 a lifetime mortgage, there are some charges that you'll 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 lifetime 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 Charge (ERC)

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 Key Facts Illustration or personalised illustration.







## **Our equity release products**

Over the next few pages we'll outline the lifetime mortgage products we provide, which allow you to tailor how you release cash from your property. Within some of these products, we have options that differ by the maximum amount you can borrow and the interest rate you'll pay. To learn about these products in more detail, please visit [www.canadalife.co.uk](http://www.canadalife.co.uk).





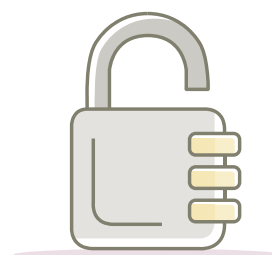
## Our lifetime mortgages

**These products can be used to unlock equity from your main residence. To check if a product suits your circumstances, speak to your financial adviser.**

We offer capital and interest repayment mortgages, which are designed to provide you with flexibility and choice, helping you stay in control of your finances.

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

With these products 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.



## Product Features

Our products come with many features. Speak to your financial adviser to find out which products include the following:

### No Negative Equity Guarantee

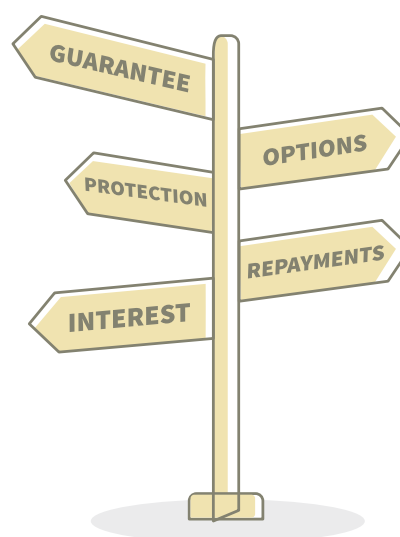
This guarantee is applied when your property is sold for a fair market price and as long as you have adhered to the terms and conditions of the mortgage. It means that when the property is sold, if the proceeds after solicitors' and estate agents' fees are not enough to pay the amount owed to us, we 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.

### Optional Inheritance Guarantee

Some of our products let you choose to protect a percentage of the eventual sale value of your home at the outset. This means that the percentage you choose to protect is guaranteed to be available to you or your beneficiaries in the future.

### Early Repayment Waiver

Some of our products offer an Early Repayment Waiver. This means that if you are joint borrowers, you will not need to pay an early repayment charge if you decide to repay your lifetime mortgage within 3 years of the date that the first borrower dies or goes in to long term care.



### Downsizing Protection

Some of our products offer a Downsizing Protection. This means that if, after 5 years, you want to repay the loan because you are selling your home and moving to a different property, you will not need to pay an early repayment charge.

### Retained ownership

As long as you adhere to the terms and conditions of the loan, you'll always retain ownership and keep control of your property. This also means that you are responsible for maintaining it.

### Right to remain in your property

Providing you keep to the terms and conditions, you will be able to live in your property until you die or move into long-term care.





### **Option to move home**

With our lifetime mortgages, if you move to a new property that is suitable to us, you can transfer the mortgage to your new home under the same terms and conditions. However, if you move to a property of lower value, it may mean that we cannot lend you the same amount, in which case you may have to repay part of the loan. This is described in more detail in our 'Porting – Customer Guide'.

### **Cash reserve facility**

If you think that you'd like to borrow more money in the future, some of our products allow you to add a cash reserve facility at the outset. This facility means that you can withdraw more money without taking financial advice. Your financial adviser can talk you through this option in further detail.

### **Option to make interest payments**

Some of our products allow you to pay off the interest each month, giving you greater control of your mortgage. Your financial adviser will talk you through the options available to you.

### **Fixed interest rate**

The interest rate 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.

### **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 move into long term care. Or, if they prefer, your beneficiaries can choose to repay the loan without selling the property. Your estate retain full ownership of your property until it is sold, and receive any amount leftover after the sale.

## Additional Borrowing

With our lifetime mortgages, you may be able to access more money at a later date. We'll describe the options available to you here, but your financial adviser will be able to discuss them with you in greater detail.

### Cash Reserve Facility

You can add a cash reserve facility to some of our products at the outset. This means that you can withdraw more money at any time, without having to seek financial advice again.

You can choose when and how often you withdraw money from your cash reserve facility and there is no fee for making withdrawals.

To make a withdrawal, you just need to get in touch with us. We will ask you for some information, as well as what you're intending to use the money you release for, and then send an Offer letter and Offer Acceptance form to you. Once you've completed the form, we'll process it and release the payment as soon as is reasonably possible.

A fixed interest rate will be applied to your cash reserve facility withdrawal, and the interest rate may be higher or lower than the rate which is applied to your initial advance. To find out more details and view our current interest rates, visit [www.canadalife.co.uk](http://www.canadalife.co.uk).

### Further Advance

If you'd like to borrow more money from your property at a later date, 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. We'll ask you to complete an application form, and confirm what you're intending to use the money you release for. 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](http://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 lifetime 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](http://www.canadalife.co.uk), or your financial adviser can explain it in more detail.





## We're a member of the Equity Release Council

Canada Life is a member of the Equity Release Council, the equity release trade body.

The Equity Release Council represents the equity release sector and exists to promote high standards of conduct and practice in the provision of, and advice on, equity release which have consumer safeguards at its heart.

By being an active member of the Equity Release Council, Canada Life adheres to their standards and principles. Through these standards, we can reassure our customers

that we offer products and services which conform to the best practices of the sector, ensuring customers are fully informed and properly protected.

To find out more visit  
[www.equityreleasecouncil.com](http://www.equityreleasecouncil.com)

## 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



### By email

[hf-customers@canadalife.co.uk](mailto:hf-customers@canadalife.co.uk)



### Call us

0800 068 0212



### Online

[www.canadalife.co.uk](http://www.canadalife.co.uk)







**Freedom to tap into the wealth in your property combined with guaranteed safeguards which give you real peace of mind.**





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