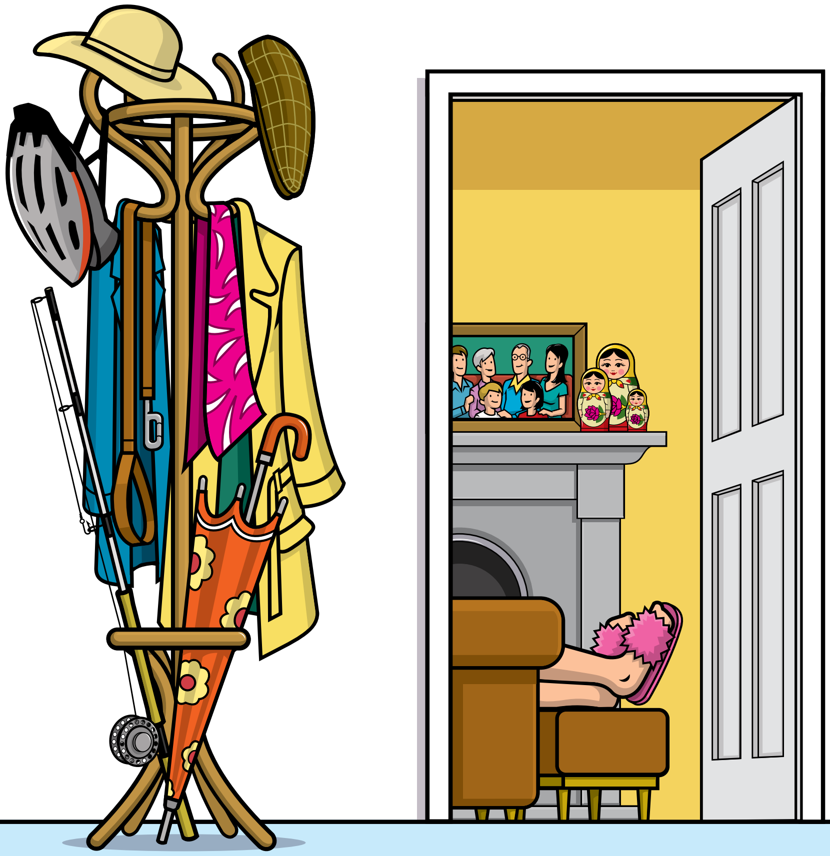
Lifetime Mortgages

Roll-up Lifetime Mortgage
Lump Sum Plus Lifetime Mortgage

Using the value in your home
for a better retirement



Who are we?

Just Retirement Limited was created to provide an innovative alternative to traditional life and pension companies for customers at, or approaching, retirement. Since our launch in 2004 we are now proud to be a leading provider of lifetime mortgages.

We work with your financial adviser to help you understand your options, so that you can get the best retirement income for your circumstances.

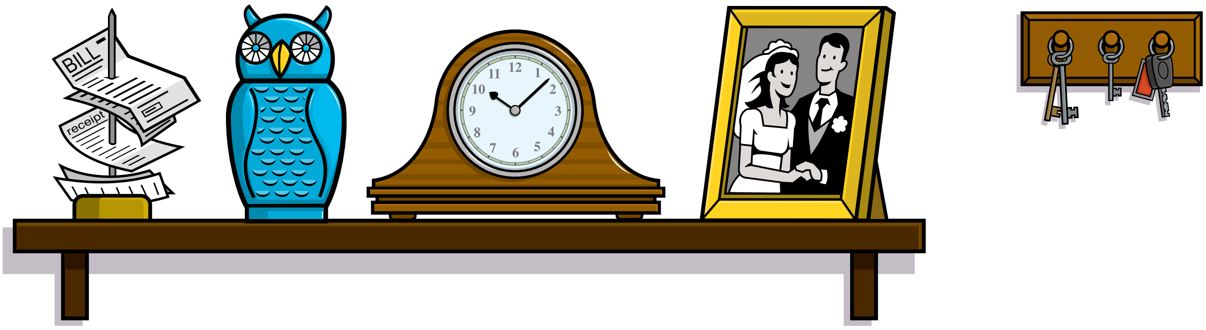
You can be assured that when you take out a Lifetime Mortgage with Just Retirement, you are dealing with a company that your financial adviser recognises as a trusted name in providing retirement solutions.

Treating Customers Fairly

Our commitment to Treating Customers Fairly is embodied in all aspects of our service, from the information we provide, through the application process, to the point where your payment is made, and throughout the entire time that you have your Lifetime Mortgage with us.

The Financial Conduct Authority (FCA) is the conduct regulator for the financial services industry in the UK and Treating Customers Fairly (TCF) is a key expectation of firms they regulate. The FCA's guidance is there to ensure that you receive financial services and products which meet your needs, from firms you can trust. Just Retirement is regulated by the FCA, and fully embraces TCF.

This guide will show you how our Lifetime Mortgages can help bring you the financial benefits that equity release can offer. You must speak with a financial adviser before taking out a Lifetime Mortgage with Just Retirement Limited.



We are a member of the Equity Release Council

Launched in 1991, SHIP (Safe Home Income Plans) was an organisation, supported by the leading providers of equity release, created to promote safe schemes and to safeguard the interests of homeowners. In May 2012, SHIP became The Equity Release Council. The Council continues to provide the same guarantees and safeguards that SHIP did in the form of the SHIP Standards Board, as well as ensuring that consumers' best interests are safeguarded.

Each member of the Council that provides equity release products is signed up to the SHIP Standards Board code of conduct, which specifies:

- All products must allow you to remain in your property for life, providing the property remains your main residence.
- All products must be clear and simple in the way they are presented to you.
- You have the right to move to another suitable property without any financial penalty.
- All legal work associated with a Lifetime Mortgage must be completed by a legal adviser of your choice.
- The costs of the Lifetime Mortgage must be clearly stated to you on an Equity Release Council certificate, along with the potential impact on your estate.
- You will never leave your estate with a debt (the no-negative-equity guarantee). This means that when the property is sold, you or your beneficiaries will not have to repay more than the sale proceeds, even if it is less than the amount owed. There is no additional charge for this guarantee.

This code of conduct offers you peace of mind, and means you can use equity release products in confidence, knowing that you will be able to remain in your home for the rest of your life or until you enter long-term care.

EQUITY RELEASE COUNCIL
Incorporating SHIP Standards

Lifetime mortgages

A lifetime mortgage is a form of equity release which allows you to borrow against the value of your home to raise cash. This guide gives you information on the Lifetime Mortgage plans offered by Just Retirement which may be suitable for you if you are aged 60 or over and own a property used as your main residence located within England, Wales, Scotland or Northern Ireland[1] worth £70,000 or more.

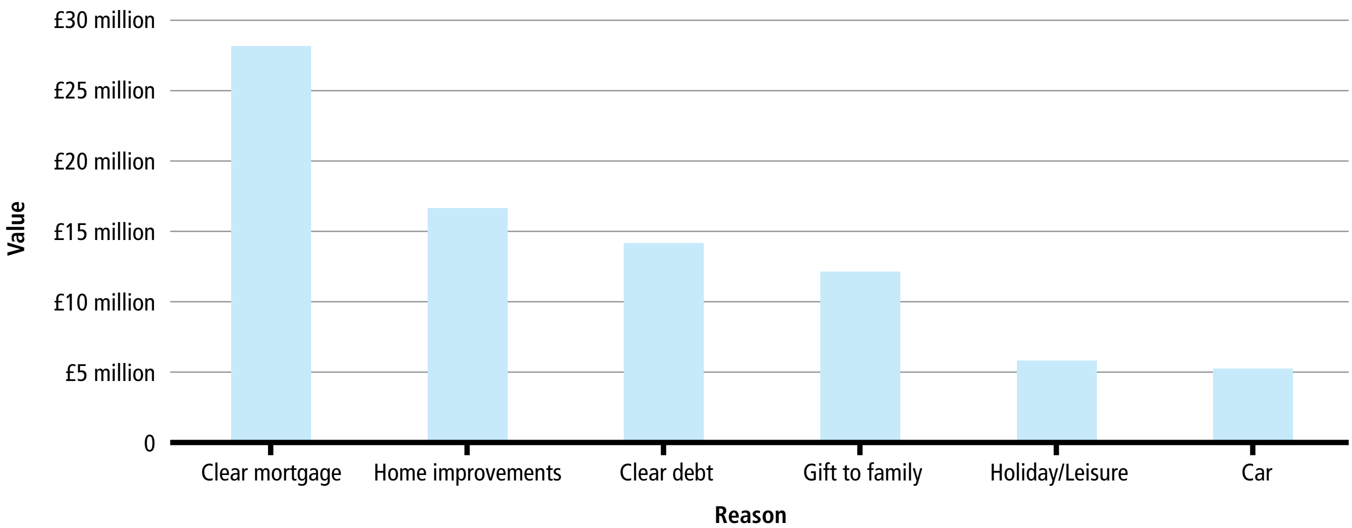
Retirement is a time for making important choices and decisions about how best to maximise your income. You may already have a pension and savings, but are they enough for you to live on? If you have equity in a property you own, one way you can improve your finances in retirement is through equity release. At Just Retirement, our Lifetime Mortgages allow you to free up some of the cash built up in the value of your home, without having to move or cut back on your lifestyle.

Indeed, equity release can be used for many different reasons: clearing any existing debts[2] you may have, gifts to family members, home improvements, taking that long awaited 'once in a lifetime' trip, or just to maintain your lifestyle. In fact, you can use equity release for almost anything you can think of.

This is a lifetime mortgage. To understand the features and risks, ask for a personalised illustration.

How we use equity release

The chart below shows the value of borrowing for typical purposes from Just Retirement Solutions Limited customers between July 2013 and June 2014[3].



[1] Please note: The Just Retirement Lump Sum Plus Lifetime Mortgage is not available in Northern Ireland.
[2] **Think carefully before securing other debts against your home.**
[3] Just Retirement Solutions Limited is a sister company of Just Retirement Limited, and provides specialist equity release advice to customers.

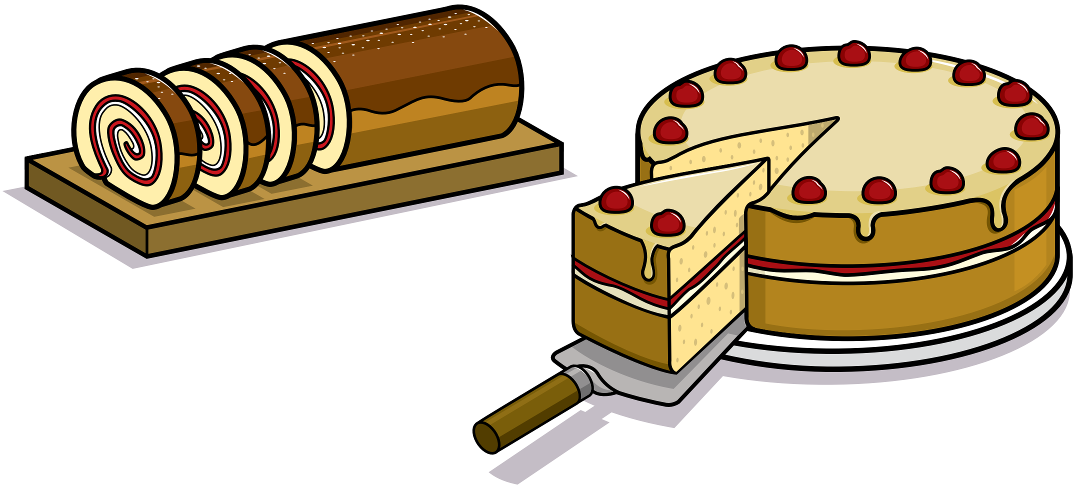
- **Unlock the value of your home.** Most homeowners in – or approaching – retirement have money tied up in their property. Releasing some of this cash could help give you a better retirement.
- **Products suited to your circumstances.** Depending on your needs, you can either choose to release an initial amount coupled with the added flexibility of a cash facility from which you can release extra money as you need it, or you can release a larger lump sum. The option chosen can affect the interest rate charged.
- **Use the money to take control of your retirement.** Consolidate your debts[2], make improvements to your home, fund a large one-off purchase, or provide help to a member of your family.
- **No need to move.** You can continue to live in your home and may benefit from further increases in value.
- **No repayments.** You will not have to make any monthly repayments for the duration of your Lifetime Mortgage. The loan will be repaid when you (or both of you if you are borrowing jointly) have died, or have permanently left the property because you need long-term care.
- **No-negative-equity guarantee.** Your Lifetime Mortgage includes a no negative equity guarantee. This means that when the property is sold, you or your beneficiaries will not have to repay more than the sale proceeds, even if it is less than the amount owed. There is no additional change for this guarantee.
- **A considered approach.** Equity release requires careful consideration. All of your options should be discussed with your financial adviser, who will be able to help. If you don't already have a financial adviser, then unbiased.com can help you to find one in your area.

Types of lifetime mortgage offered by Just Retirement

Just Retirement offers two different types of lifetime mortgage: the Roll-up Lifetime Mortgage and the Lump Sum Plus Lifetime Mortgage. Both options involve creating a lifetime charge against your property that allows the release of equity from your home without the need to make monthly repayments.

The interest rate is set at the time you take out the loan and is fixed for the lifetime of the mortgage.

Interest will accumulate each year on a compound basis on both the Roll-up Lifetime Mortgage and Lump Sum Plus Lifetime Mortgage, meaning that interest is charged each year on the amount of the loan as well as interest accrued in previous years. The more years that pass before the loan is repaid, the bigger the final total interest charge. The mortgage must be repaid within 12 months from when you (or both of you, if you are borrowing jointly) have died, or have permanently left the property because you need long-term care, for example to move into a care home or to live with and be cared for by relatives on a permanent basis due to medical necessity.



Roll-up Lifetime Mortgage

The Just Retirement Roll-up Lifetime Mortgage provides you with a flexible cash facility against which you can release additional cash advances at any time.

You can choose to borrow the maximum amount available to you as a one-off lump sum, or alternatively choose to borrow a smaller amount initially (subject to a minimum of £10,000) and borrow additional amounts at a later date from a pre-agreed cash facility.

The amount of your cash facility will be the lower of:

- Three times the initial advance (subject to a maximum unused cash facility of £200,000).
- The maximum loan to value (LTV), which is based upon your age and property value.
- An overarching maximum of £600,000 in England and £250,000 in Scotland, Wales and Northern Ireland.

Your remaining cash facility will be the balance of this amount after the initial advance has been taken. You are free to use the remaining cash facility on either an annual or ad hoc basis, subject to a minimum amount of £2,000 per release.

Please note that Just Retirement can suspend the unutilised cash facility in a number of defined situations as outlined in the 'Guide to the early repayment charge and availability of the cash facility'.

Lump Sum Plus Lifetime Mortgage

Just Retirement's Lump Sum Plus Lifetime Mortgage is designed to provide you with access to the maximum possible share of the money locked up in your home as a one-off lump sum.

The amount you can borrow through our Lump Sum Plus Lifetime Mortgage will usually be higher than the amount available through our Roll-up Lifetime Mortgage.

The maximum amount will be determined by a number of factors, including your age and the value of your property. With our expert underwriting capability, we can also take into account your health and lifestyle conditions when calculating the maximum amount available to you.

The plan offers two loan to value (LTV) tiers:

- **Standard LTV.** Giving you easy access to a larger lump sum than would be available through our Roll-up Lifetime Mortgage, but usually at a higher interest rate.
- **Enhanced LTV.** Using our expert underwriting capability to give you the potential to borrow an even higher amount based on your medical and lifestyle conditions. The interest rate applying under the enhanced LTV tier is usually higher than the interest rate applying under the standard LTV.

There is a maximum cash advance of £600,000 in England and £250,000 in Scotland and Wales. Please note, the Lump Sum Plus Lifetime Mortgage is not available in Northern Ireland.

Other common questions

In retirement, some of the most important choices you are likely to face, perhaps, are the ones that involve getting the most out of your retirement income. To help you understand whether equity release is right for you, we have answered some of the most frequently-asked questions below.

Am I eligible?

To be eligible for a Just Retirement Lifetime Mortgage you must:

- Be aged 60 or over. (Age of youngest applicant if a joint application.)
- Own a property in the UK worth over £70,000 which is your main residence[4].
- Have an acceptable property – your financial adviser will check this for you as we do have some restrictions.

You can have an outstanding mortgage and still apply for a Lifetime Mortgage but the mortgage must be paid off using some or all of the money you release. The minimum cash advance you can take with a Just Retirement Lifetime Mortgage is £10,000.

What are the costs involved?

The costs you may incur are:

- **Valuation fee.** Payable by cheque, with your application.
- **Arrangement fee.** This can be paid by cheque up-front or can be added to the value of the loan. Please note that if the arrangement fee is added to the value of the loan, interest will be charged on this.
- **Specialist report.** If required for any reason, you will need to cover the cost of any specialist reports as part of our lending criteria.
- **Legal fees.** You will be responsible for your own legal fees.
- **Authorised financial adviser.** You may be charged a fee for the advice and service they provide to you.

Please ask for a personalised illustration that details the individual costs associated with your chosen Lifetime Mortgage. A tariff of charges is available on request.

[4] The Lump Sum Plus Lifetime Mortgage is not available in Northern Ireland.

Will it affect my state benefits?

Some benefits may be affected by the decision to release equity in your home, as they are subject to means testing, such as Pension Credit, Council Tax Benefit and Health Benefit. You should make sure you have all the facts before you decide to proceed. Your financial adviser will be able to provide you with more guidance on this.

A lifetime mortgage may not be right for everyone. It may affect your entitlement to state benefits and will reduce the value of your estate.

Should I discuss my plans with my family?

Whilst the decision is always yours, we have found that keeping your family informed about your potential plans is always a good idea. Some family members may be happy for you to consider equity release, others may have reservations.

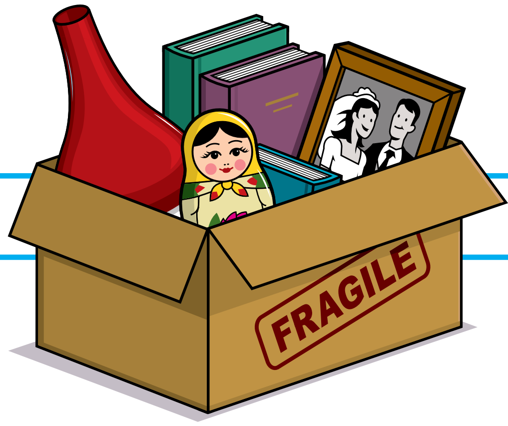
Remember, when you die, the repayment of the mortgage and interest will reduce the value of your estate. Therefore it is important to check out all your options carefully.

How is interest charged on the money I borrow?

The interest rate you pay will be set according to our prevailing interest rates at the time you take out your Lifetime Mortgage and any subsequent drawdown from your cash facility if applicable. The rate for each separate additional advance is guaranteed not to change over the lifetime of your mortgage. If you are eligible for a further cash advance in the future, the interest rate for that loan will be set at that time and may be higher or lower than the rate you are paying on your initial cash advance.

The interest charge on your Lifetime Mortgage will accumulate on a compound basis, which means interest will be charged on the amount of your loan as well as the interest that has accrued in previous years. The total loan, including accrued interest, is repaid from the proceeds of the sale of your property when you die or if you move permanently into long-term care.

Please remember that the interest rates charged on our Lump Sum Plus Lifetime Mortgage are usually higher than the rate for our Roll-up plan. The Lump Sum Plus Lifetime Mortgage enables you in most cases to borrow a higher amount – which could be invaluable if you need access to the money – but the amount of your loan will be higher than an equivalent Roll-up plan at the time it is repaid. You should think carefully about how much you need to borrow, and which product would be a suitable option. Your financial adviser will be able to help with this.



What if my circumstances change?

Moving house

If you wish to move home you may be able to transfer your Lifetime Mortgage to a new property if the new property is acceptable to us. If you transfer your Lifetime Mortgage to a new property, we may reduce your cash facility and you may need to repay some of the amount owed.

Additional borrowing

When you have used your cash facility, you may choose to apply to us to increase it. Depending upon your circumstances, the value and condition of the property and our lending criteria at the time, we may agree to provide additional borrowing. Please note, additional borrowing will not be available on the Lump Sum Plus Lifetime Mortgage for a period of six months following completion of the original mortgage. Additional borrowing is not guaranteed.

Property title changes

If you wish to make a change to the legal title to your property, for example to extend a lease term, sell a portion of garden land or formalise a right of way, you will need to obtain our approval. You will have to pay our legal and re-inspection valuation costs which will vary depending on the nature of the proposed change. The re-inspection fee is based upon the estimated value of your property.

Early repayment

Your Lifetime Mortgage is a lifelong commitment and is designed to be repaid when you (or both of you if you are borrowing jointly) have died, or have permanently left the property because you need long-term care. If you decide to pay back the money before this, we (Just Retirement Limited) have to reinvest that money to replace the proceeds that we would otherwise have expected to receive. This reinvestment process means Just Retirement incurs two distinct sets of costs. The first is the transaction costs incurred in reinvesting the money. The second cost is incurred if the interest rates available on investments have fallen since the time we originally loaned the money, which means the cost of the replacement investments will be higher. We measure the change in interest rates using the UK FTSE 15 Year Gilt Yield Index.

An early repayment charge may be charged to recoup these additional costs, which we would not have incurred if the loan had not been repaid early.

We have a separate guide to explain the early repayment charge in greater detail. Please call us or speak to your financial adviser if you would like a copy of this document.

Things to remember

- Interest accumulates only on amounts that you borrow and not on any unused cash facility.
- The interest rate you pay will be fixed at the time you take out your loan, and is guaranteed not to change. If you have a cash facility and take a drawdown from this, or take a further cash advance, the interest rate for that loan will be set at that time and may be higher or lower than the rate you are paying on your initial cash advance.
- Interest accumulates on the amount that you borrow on a compound basis, which means interest will be charged on the amount of your loan as well as the interest that has accrued in previous years.
- The total amount you owe, including any accrued interest, will be repaid from the eventual sale of the property when you die or move into permanent long-term care.
- As with any mortgage arrangement, it's a decision which you will need to consider carefully.
- Your Lifetime Mortgage is a lifelong commitment and is designed to be repaid when you (or both of you if you are borrowing jointly) have died, or have permanently left the property because you need long term care. If you repay your Lifetime Mortgage at any time before that, for any other reason, you may have to pay a substantial early repayment charge.
- Equity release is not right for everyone and may affect your entitlement to state benefits.
- Equity release will reduce the value of your estate.
- Just Retirement does not consider that equity release is a suitable product for customers looking to raise capital for investment purposes and will not lend where this is the stated loan purpose.
- **This is a lifetime mortgage. To understand the features and risks, ask your financial adviser for a personalised illustration.**

justretirement

For more information contact:

Telephone: **01737 233297**
Lines are open Monday to Friday, 8.30am to 5.30pm.

Or log onto our website for further information:
www.justretirement.com

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