

Give your clients more certainty and fewer surprises with an Optional Payment Lifetime Mortgage (OPLM).

Peter • Single • Aged 75 • Retired

What would Peter like?

- A low monthly mortgage payment that takes him into retirement without the need to worry about having to sell his home or being in financial difficulties.

What are Peter's concerns?

- His interest only mortgage is coming to an end. Without any savings or investments, Peter will struggle to pay back his current capital of £100,000 with interest rates rising.

How can James the adviser help?

- James, can provide a suitable recommendation making use of an OPLM. Arranging a lifetime fixed rate and help Peter choose an affordable repayment amount, if any at all.



Peter's interest only mortgage is coming to an end. He doesn't have any savings or investments to repay his loan. Without a suitable solution, he's at risk of having to sell his property to repay the loan.

He's spoken with the lender however, due to affordability assessments he wouldn't qualify for either a retirement interest only mortgage or another residential mortgage at his age of 75.

He'd considered downsizing to a smaller property but couldn't find anything suitable and didn't like the thought of moving away from friends and family.



Mortgage value

£100,000

House price

£350,000

1

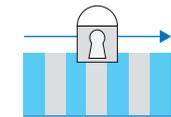
Peter, has been notified by his lender his current interest-only mortgage will be maturing and the £100,000 he originally borrowed on his £350,000 house will need to be repaid.

2

Peter's currently on a fixed rate of **2.5%** which he's had for a while and pays a comfortable **£210** per month.



A fixed IOM **2.5%**
paying **£210** per month



OPLM fixed rate of

6.83%

3

Peter, speaks to James, a trusted adviser who recommends an **Optional Payment Lifetime Mortgage (OPLM)** from Legal & General, at an interest rate of **6.83%**. Providing flexibility in choosing how much of the interest he will pay off.

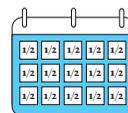
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Final
£100,000 +
any unpaid interest

4

James, explains Peter won't need a repayment strategy as the **£100,000** loan will be repaid from the sale of the home when he dies or goes into long-term care.



Peter chooses to pay **half** the monthly interest of **£294** to make payments more affordable

6

James explains, should Peter find he's struggling financially in the future, he has the option to stop making his monthly interest payments. Any unpaid interest is added to the loan each month, which in turn will be repaid along with the original loan when it comes to the sale of the property.

5

The full monthly interest payments of Peters OPLM are **£588**. The interest rate is fixed for life meaning the monthly payments will never increase, Peter fears he may struggle to pay these back.



£588
for the full OPLM
monthly charge

7

This gives Peter the reassurance he needed. He can remain in his home for the rest of his life and the final loan will be repaid when he dies or goes into long-term care.



Features



- Our Optional Payment Lifetime Mortgage enables your client to pay some or all the monthly interest by Direct Debit
- The interest rate is fixed for life and there's no risk of payment default
- Six missed payments are allowed within the product term. If more than six payments are missed the client will have to stop making monthly payments all together. In this instance, the client does have the option to manage the debt by making Optional Partial Repayments of up to 10% per annum of the amount borrowed. (Minimum payment £50 each, up to 12 times a year)
- Any unpaid interest is usually repaid from the sale of the property when your client dies or moves into long-term care
- The risks of compounding interest are reduced by making monthly interest payments.

Risks



- A lifetime mortgage is a debt secured against your client's home
- The interest is charged on the loan amount plus any interest already added.
- There may be cheaper ways to borrow money
- Once the monthly repayments are stopped, your client cannot restart the payments for the lifetime of the remaining loan.
- A lifetime mortgage may reduce the value of your client's estate
- A lifetime mortgage could impact your client's entitlement to means tested state benefits



To find out more or speak to your dedicated account manager:



Call: **03330 048 444**
Lines are open Monday to Friday, 8.30am to 5.30pm



Email:
adviser.support@landghomefinance.com



Visit:
legalandgeneral.com/adviser/get-in-touch

Call charges will vary. Calls may be recorded and monitored. If you're contacting us by email, please remember not to send any personal, financial or banking information, because email is not a secure method of communication.