

What Could Equity Release Do For You And What You Need To Know

By Kirsty Woolley CeMAP CeRER



*Please take a look at my short and handy guide that will hopefully provide you with an insight to Equity Release. Should you wish to know more, or for a no obligation chat on your options, please drop me a line kirsty@idealfinancialsolutions.co.uk.

Equity release will reduce your estate's value and may affect your entitlement to means-tested benefits.

Ideal Financial Solutions is a trading style of Ideal Financial Solutions Limited which is Authorised & Regulated by the Financial Conduct Authority. Financial Services Register Number: 622803. Registered in England and Wales Number: 08894895 Contact 01202 916488 info@idealfinancialsolutions.co.uk

What Can Equity Release Do For Me?

Equity release also known as a Lifetime Mortgage, allows you to access money tied up in your home without having to sell it.

Use the released equity for the things you need and that will improve your quality of life. For example, some people use Equity Release for home improvements, this can be those jobs you've dreamed of, or maybe you love your home but struggle with your mobility so you can use it to pay for adaptations around your home, (stair lifts, wet rooms etc). Another common use for Equity Release is to pay for care in the home, if you have found you're in a position needing care and want to remain in the comfort of your own home this would allow you that option. Emergency repairs, if your roof has been damaged or maybe your boiler has broken down you can use your Equity etc. The financial freedom is endless. The MOST important thing for you to do is use a local adviser who will give you the right honest advice. Your adviser should ensure other possibilities have been explored first. Equity Release is a great product when used right.

Most equity release plans don't require you to make monthly repayments, providing relief from regular financial commitments.

The money you release is typically tax-free, making it a more financially efficient option.

Equity release allows you to continue living in your home for as long as you want, you will remain the legal owner.

If you're retired and need a financial boost, equity release can provide a valuable source of income.

Instead of leaving the wealth tied up in your property, equity release enables you to enjoy it during your lifetime, or maybe gift it to your children and grandchildren so that you can enjoy watching them buy their first home etc.

Knowing you have access to extra funds can provide peace of mind for unexpected expenses or to enhance your lifestyle.

Remember, equity release isn't suitable for everyone, and it's essential to carefully consider your options and consult with a financial advisor to make informed decisions based on your unique situation.

Equity release will reduce your estate's value and may affect your entitlement to means-tested benefits.

So What Do I Need To Know About Equity Release

Equity Release also known as a Lifetime Mortgage, is an interest only mortgage available for people over age 55.

Much like a traditional mortgage it is a legal charge registered on your property, meaning you retain ownership of your home. The difference with a Lifetime Mortgage/Equity Release is that you usually wouldn't pay any mortgage payment, this would be deferred until death or long-term care.

Equity release is typically available to homeowners, and the amount you can release depends on the value of your property.

Using equity release may reduce the amount of inheritance you can leave behind for your loved ones.

If you choose a lifetime mortgage, the interest can accumulate over time, affecting the overall amount owed.

Seek advice from a qualified equity release advisor to understand the implications and ensure it aligns with your financial goals.

Explore other financial options before committing to equity release, such as downsizing or other sources of income.

Understand all associated costs, including arrangement fees, legal fees, adviser fees and potential early repayment charges.

Releasing equity can affect some means-tested benefits, so it's essential to consider this in your decision-making.

Some plans allow voluntary repayments, providing flexibility in managing the overall loan amount.

The value of your property and the interest rates can impact the overall effectiveness of equity release.

Equity release schemes are regulated by the Financial Conduct Authority (FCA), providing certain legal protections for consumers.

Involving family members in discussions about equity release can help manage expectations and ensure everyone is aware of the decision.

Remember, equity release is a significant financial decision. Taking the time to understand the details and seeking professional advice is crucial to making an informed choice that aligns with your financial situation and goals.

Thanks for reading.

Equity release will reduce your estate's value and may affect your entitlement to means-tested benefits.