

more²life

CAPITAL CHOICE

GUIDE



WHO ARE **MORE 2 LIFE?**

Since more 2 life opened in 2008, we have cemented our name as an innovative, flexible and modern lifetime mortgage lender.

Our dedication to helping people achieve the retirement that they truly deserve, and our award-winning customer service, is why we are now one of the largest lifetime mortgage lenders in the UK.

WHAT IS **CAPITAL CHOICE?**

Our Capital Choice plans are lifetime mortgages which allow homeowners to release cash from their homes. Our Capital Choice Lump Sum plans give a one-off lump sum, and our Capital Choice Drawdown plans give a smaller lump sum whilst having the option to draw down cash in the future, as and when needed.





How does it work?

A lifetime mortgage is a loan secured against your home. It does not require monthly repayments, as the interest rolls-up and is repaid when the plan comes to an end. This is when you, or the last remaining applicant in a couple, passes away or goes into long-term care. However, if desired, partial capital repayments can be made, which will reduce the amount of interest which rolls-up over time.

A lifetime mortgage may affect your entitlement to means-tested benefits and will reduce the value of your estate.



How much could be borrowed?

The minimum amount which can be borrowed on a Capital Choice plan is £15,000, and the maximum is £1,500,000. Your home must also be worth between £70,000 and £5,000,000.

The amount you can borrow depends on your age (or in joint cases it will be based on the age of the youngest applicant), the value of your home, and which Capital Choice plan is best suited to your needs.

Our Drawdown plans are subject to a minimum cash facility (the amount you want to reserve for future draw downs) of £2,000, and limited to twice the initial loan amount.



What are the different types of Capital Choice plan?

CAPITAL CHOICE SUPER LITE Lump Sum & Drawdown

Available to those aged 55 to 95

CAPITAL CHOICE LITE Lump Sum & Drawdown

Available to those aged 55 to 95

CAPITAL CHOICE Lump Sum & Drawdown

Available to those aged 55 to 95

CAPITAL CHOICE PLUS Lump Sum & Drawdown

Available to those aged 60 to 75

PLUS The highest amount of cash can be released with our Plus plans, but the interest rate applied will be higher than with our standard and Lite plans.



What is the Equity Release Council?

The Equity Release Council is the industry body for the equity release sector. It exists to promote high standards of conduct and practice in equity release. Visit **equityreleasecouncil.com** for more information.

All more 2 life plans have been approved by the Equity Release Council, meaning that our Capital Choice plans follow their product standards and come with:

- No negative equity guarantee – this means that you can never owe more than the value of your home.
- Fixed interest rates.
- The right to remain in your property for life, or until you (or the last remaining partner) move into long-term care.
- The right to move to another property (subject to the new property meeting our lending criteria at the time).



Can you move home once you take out a Capital Choice plan?

All plans approved by the Equity Release Council are portable, meaning that moving property is allowed at any time, as the loan simply moves to the new property. However, the new property must meet our lending criteria at the time.



Will I still own my home?

Yes. You will continue to own your property until the day you (or the last remaining applicant) pass away or go into long-term care. We also guarantee that you will not leave any lifetime mortgage debt behind in excess of the value of your home.



CAPITAL CHOICE PLANS

HIGHLIGHTS

	Lump sum plans				Drawdown plans			
	Super Life	Lite	Choice	PLUS	Super Life	Lite	Choice	PLUS
Minimum age of youngest applicant	55			60	55			60
Maximum age of youngest applicant	95			75	95			75
Minimum loan	£15,000							
Maximum loan	£1,500,000							
Cash facility?	No				Yes			
Cashback?	No	Yes, 3% of loan amount with a minimum release of £35,000			No			
Inheritance protection	Yes, up to a maximum of 50%				No			
Partial repayments?	Yes, up to 10% each year. Minimum payment of £50							
Downsizing protection	Yes, after an initial period of 5 years							
Exemption of early repayment charges on death/admission into long-term care of a partner	Yes, within 3 years of the death or admission into long-term care of the first partner							
Fixed early repayment charges?	Yes, 5% in years 1–5, 3% in years 6–10 and 0% from year 11 onwards							



Plan highlights

more 2 life work hard to develop and create product features which empower our customers, by giving flexibility and control over your lifetime mortgage.

Cashback

Cashback is available on our Capital Choice Lump Sum and Capital Choice Plus Lump Sum plans only, provided the loan taken is a minimum of £35,000. With our cashback options, an extra 3% of the loan amount released is available to be spent however desired. This is not added to the loan, so no interest is paid on the cashback amount. The interest rate applied to our cashback options is slightly higher than our no cashback options.

Inheritance protection

Inheritance protection ensures that a portion of your home's future value is secured as an inheritance for loved ones, as long as the maximum loan available isn't taken. Up to 50% of your home's future value can be protected for any beneficiaries. This feature is available on our Capital Choice, Capital Choice Lite, Capital Choice Superlite and Capital Choice Plus Lump Sum plans only.

For example, only 60% of the loan offered might be required, so the percentage of the unused loan (40% in this example) is the percentage of your home's future value which is guaranteed for loved ones when the plan comes to an end.

This feature is:

- available at no extra cost.
- included automatically at the onset, should the maximum loan available not be taken.

Partial repayments

If desired, repayments of up to 10% of the initial loan amount can be made each year, without incurring any early repayment charges. These repayments must be a minimum of £50 each time. There is no limit to the amount of repayments that can be made in any calendar year, starting from the day the loan completes, as long as they do not exceed 10% of the initial loan amount.

If repayments over 10% of the initial loan amount are made, in one calendar year from the date the loan starts, or the loan is repaid in full, an early repayment charge may apply.

Fixed early repayment charges

If the loan is repaid in full within the first 10 years of the loan completing, or partial repayments greater than 10% of the initial loan are made in one calendar year from the start date of the loan, an early repayment charge may apply.

On all of our Capital Choice plans, our early repayment charges are fixed. This means that if any early repayment charges are required to be made, they will always be a known cost.

Our early repayment charges are 5% of the loan amount at the time of repayment in years 1 - 5, 3% in years 6 - 10 and no charge from year 11 onwards.

Should you proceed with more 2 life, any charges which may be required will be outlined in your Key Facts Illustration and Offer documentation.

A lifetime mortgage is designed to last for your lifetime, however, retirement can be an unpredictable time, so full repayment may be required due to a change of circumstances. This is why we have ensured that in certain cases, an early repayment charge won't be applicable.

Downsizing protection

Moving to a smaller home in future may be necessary due to a decline in health, or difficulty in maintaining the home. If the new home meets our lending criteria at the time, the loan can simply port to the new home.

However, if the new home does not meet our lending criteria at the time, the loan

can be repaid in full without incurring any early repayment charges, as long as the move occurs after a minimum of 5 years from the start date of the loan.

In joint cases, the remaining applicant can repay the loan in full without incurring any early repayment charges within a period of 3 years on the death or admission into long-term care of the first applicant.



To apply for a Capital Choice plan, or for more information on any of our plans, please speak to a specialist equity release adviser.



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more2life.co.uk

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