



Our Introductory Guide to
Raising Money
from Your Home

Home 
& Capital

Equity release specialists since 1978



This guide is intended to give a basic introduction to equity release. It does not constitute financial or legal advice and as such, should not replace the need to seek specialist financial or legal advice.

Why should you contact us?

Home & Capital Advisers was established to provide specialist advice to homeowners considering equity release as a way of funding a more comfortable lifestyle in retirement. Our helpful advisers will assist you through the process of assessing whether equity release is a suitable solution for you and, if so, whether to select a lifetime mortgage or a home reversion plan.

The Home & Capital Group has been involved in the equity release sector since 1978. In 1991, Home & Capital Trust Ltd became a founder member of Safe Home Income Plans ('SHIP'), the organisation that provides safeguards to consumers entering into equity release plans.

We are authorised by the Financial Services Authority to provide equity release advice. This advice covers lifetime mortgage products from a range of reputable providers, and also the Home & Capital Group's own range of home reversion plans.

To ensure that all our homeowner clients are treated fairly and also benefit from the highest standards of consumer protection, we will only recommend products endorsed by SHIP.



What is equity release?

Equity release is the term used to describe the different ways in which you can benefit from the value of your home without having to move out of it.

An equity release plan is an important potential retirement planning option for homeowners. However, other alternatives like those listed below may provide a more effective financial solution and should be considered before an equity release plan is entered into.

Moving to a cheaper property

A cheaper property could release a cash sum from your existing home.

Involving family or friends

There may be close family or friends that are able to provide financial support.

Pension credits/benefits and grants

You may be entitled to more benefits and allowances than are currently being claimed.

Savings and investments

You may be able to withdraw cash from other existing financial resources.



“

A return for the future

”



“

Holidays you have
always wanted

”

How does equity release work?

There are two main types of equity release scheme:

Lifetime mortgages...

involve taking out a mortgage where there are usually no repayments to be made. Instead, the interest on the amount borrowed is “rolled up” on a compound basis and added to the outstanding loan. When the property is eventually sold, the total amount owed including the interest is repaid. You, or your estate, then receive the remainder of the sale proceeds.

Home reversion plans...

involve selling all or part of your property to a specialist company, at a discount to its market value, in return for a tax free cash lump sum (or a series of payments) and the right for you and your spouse to remain in the property, rent free, for life. At the end of the plan, you or your estate will be entitled to a proportion of the net sale proceeds equivalent to the share in the property that has not previously been sold.

By ensuring that your chosen equity release plan is taken out with a member of SHIP your rights will be secured by the following covenants:

- A no negative equity pledge
- A right to move without financial penalty
- A right to remain in your own home for life

Who qualifies for equity release?

Equity release products are generally available to homeowners over the age of 60. Conditions or restrictions will apply to construction, value, tenure and location of the property; a property on which no mortgage is obtainable is unlikely to qualify for equity release.

Choosing the most suitable type of scheme will depend upon a number of considerations including:

- Your age(s) and health
- What benefits you receive
- The value of your property and other assets
- How much money you need
- Whether you need a lump sum or series of payments
- Your attitude to risk
- How much, if any, you would like to leave as an inheritance

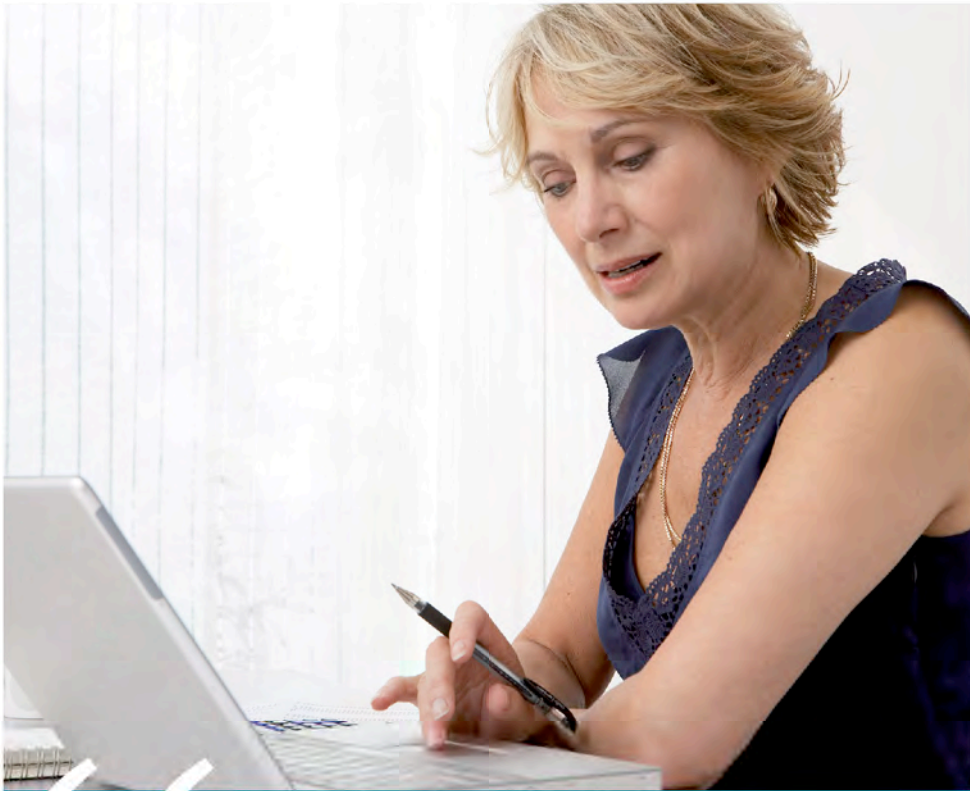
For a free, no obligation, initial consultation on equity release, please see page 11.



“

Helping the family

”



“

A right to move without
financial penalty

”

How to get the best advice

Many people considering equity release feel uncomfortable about involving others in such decisions. We feel that it is important to discuss the subject openly from the start, as input from others including your family and trusted friends is invaluable and can help to provide reassurance.

Home & Capital Advisers adheres to the highest ethical standards in all its business dealings. We rely heavily on delivering a high level of personalised service, as our reputation is all-important to us. Our advisers are chosen because they understand the needs of the older homeowner. They are trained to advise you on how to get the best from your chosen equity release plan.

These products may involve a lifetime mortgage or home reversion plan. To understand the features and risks, please ask for a personalised illustration by calling our enquiry centre free on 0800 253 657.

Alternatively visit our website www.homecapital.co.uk for further information.

Other useful contacts are:

Safe Home Income Plans (www.ship-ltd.org)
Financial Services Authority (www.fsa.gov.uk)
Help the Aged (www.helptheaged.org.uk)
Age Concern (www.ace.org.uk)

Home & Capital Advisers Ltd (incorporating Hinton & Wild)
is regulated by the
Financial Services Authority under number 438338

Freephone 0800 253657

www.homecapital.co.uk
enquiries@homecapital.co.uk



Home 
& **Capital**

Equity release specialists since 1978