

MCOB 9 Annex 1R

The illustration: table of contents, prescribed text and prescribed section headings and subheadings (R).

1. This annex belongs to *MCOB 9.4.2R*.

2. The underlined text indicates instructions that must not be included in the *illustrations* provided to *customers*.



about this lifetime mortgage

Personalised information on a lifetime mortgage for: insert *customer's* name – see *MCOB 9.4.17R* (1)

Date produced: insert date – see *MCOB 9.4.17R* (2)

Insert details of how long the *illustration* is valid for, and if appropriate when the mortgage needs to commence by – see *MCOB 9.4.17R* (3)

This is not a legally binding mortgage offer and it does not oblige [name of *mortgage lender*] to provide you with the mortgage described in this illustration.

1. About this information

We are required by the Financial Conduct Authority (FCA) – the independent watchdog that regulates financial services – to provide you with this illustration.

All firms selling lifetime mortgages are required to give you illustrations like this one, that contain similar information presented in the same way.

Ask for other illustrations if you want to compare this lifetime mortgage with lifetime mortgages from other lenders.

The Money Advice Service provides useful information on lifetime mortgages and other ways of releasing equity from your home in a booklet called 'Equity Release Schemes, Lifetime Mortgages and Home Reversion Plans'. You can get this free through the Money Advice Service website www.moneyadviceservice.org.uk or by calling 0300 500 5000.

2. Which service are we providing you with?

We recommend, having assessed your needs, that you take out this lifetime mortgage.

We are not recommending a particular lifetime mortgage for you. However, based on your answers to some questions, we are giving you information about this lifetime mortgage so that you can make your own choice, or find out about other ways in which you may be able to release equity from your home.

3. What is a lifetime mortgage?

Important information from the Financial Conduct Authority:

- A lifetime mortgage is a special type of loan which is usually designed to run for the rest of your life, and which means that you borrow money that is secured on your home to give you a

lump sum/or a regular income. The amount you owe to the lender is usually paid back from the proceeds of the sale of your home after death. If you are borrowing with someone else this would be after the death of the last borrower. Any money left over would be paid to your beneficiaries.

- If you buy a new home, you may be able to transfer your lifetime mortgage to your new home, or you may be able to get a new lifetime mortgage. Otherwise you will usually have to repay the amount you owe to the lender from the money you get from the sale of your home. Any money left over belongs to you.
- If you move into sheltered accommodation or long term care you will usually have to repay the amount you owe to the lender from the money you get from the sale of your home. Again any money left over belongs to you. If you are borrowing jointly with someone else and one of you needs to move into long-term care, you don't usually have to sell your home until the last borrower either dies or moves into long-term care or another property.
- If you decide that you simply don't want the lifetime mortgage any more, you can repay the amount you owe to the lender at any time, but the lender may make an early repayment charge if you do. Section 13 of this illustration will tell you if any early repayment charges apply to this mortgage.
- Some lifetime mortgages are linked to an investment – this means you borrow a lump sum which is invested (for example in an annuity) to give you a regular income. If this happens the full details of the investment will be shown in a separate document and it is important to read both documents together.

4. What you have told us

See *MCOB 9.4.21R – MCOB 9.4.23G*

5. Description of this mortgage

See *MCOB 9.4.24R – MCOB 9.4.30G*

For foreign currency mortgages see *MCOB 9.4.128R – MCOB 9.4.129R*

For *shared appreciation mortgages* see *MCOB 9.4.130R – MCOB 9.4.132R*

6. Benefits

See *MCOB 9.4.31R(1)*

£X

Your net income:

This box only required where the *regulated lifetime mortgage contract* is linked to an *investment* and the payments due on the *regulated lifetime mortgage contract* are deducted from the income from the *investment* – see *MCOB 9.4.31R(2)*.

Other benefits and incentives

See *MCOB 9.4.31R(3)*

7. Risks – important things you must consider

8. What will you owe and when

[insert frequency of

(A) details of mortgage payments – this section is only required where the terms of the <i>lifetime mortgage</i> either: <ul style="list-style-type: none"> require the <i>customer</i> to make regular payments to the <i>mortgage lender</i>, in respect of all or part of the interest or part of the capital due under those terms, either over the duration of the <i>lifetime mortgage</i> or until a specified date; or expect that the <i>customer</i> will make such payments until he or she chooses to stop doing so. See <i>MCOB 9.4.36G</i> 	payments- see <i>MCOB 9.4.37R</i>
See <i>MCOB 9.4.37R – MCOB 9.4.46R</i> and, where appropriate, <i>MCOB 9.4.132DR</i> .	£
This section is required only for multi-part mortgages where there is a future change in the interest rate(s) charged. What you will owe in future	[insert frequency of payments – see <i>MCOB 9.4.37R</i>]
See <i>MCOB 9.4.47R – MCOB 9.4.48R</i>	Insert amounts(s)

8. What will you owe and when

(B) projection of roll-up of interest – this section is only required where all or part of the interest due over the life of the *lifetime mortgage* is or may be added to the loan and paid to the *mortgage lender* on repayment of the loan - see *MCOB 9.4.49G*.

Insert the prescribed text from the *MCOB 9.4.50R* or *MCOB 9.4.132DR(8)* as applicable.

Year	Balance at start of year	Amount paid to you during the year £	Interest charged at x%	Fees charged during the year	What you owe at end of year £
See <i>MCOB 9.4.51R(1)</i>	See <i>MCOB 9.4.51R (2)</i>	See <i>MCOB 9.4.51R(3)</i>	See <i>MCOB 9.4.51R(4)</i>	See <i>MCOB 9.4.51R(5)</i>	See <i>MCOB 9.4.51R(6)</i>

9. Total borrowing [for further advances only – if used subsequent section will be renumbered]

See *MCOB 9.8.5R*

9. Will the interest rate change?

See *MCOB 9.4.53R – MCOB 9.4.61G*

10. How the value of your home could change

See *MCOB 9.4.62R – MCOB 9.4.64R*

For *shared appreciation mortgages* see *MCOB 9.4.130R(2)*

11. What fees must you pay?

Fees payable to [insert name of *mortgage lender*]

See *MCOB 9.4.65R – MCOB 9.6.71R*

Other fees

See *MCOB 9.4.65R – MCOB 9.6.71R*

Fee amount

Insert amount of each fee

Insert amount of each fee

12. Insurance

[insert frequency of payments for premium quoted payments]

Insurance you must take out through [insert name of mortgage lender or mortgage intermediary]

£

See <i>MCOB 9.4.72R</i> to <i>MCOB 9.4.75R</i> and <i>MCOB 9.4.81R</i>	
Insurance you must take out as a condition of this lifetime mortgage but that you do not have to take out through [insert name of mortgage lender or mortgage intermediary] See <i>MCOB 9.4.76R – MCOB 9.4.78G, MCOB 9.4.81R</i>	£
Optional Insurance This box is only required where quotations for optional insurance are provided in the <i>illustration</i> . See <i>MCOB 9.4.79R – MCOB 9.4.80R</i> and <i>MCOB 9.4.81R</i>	£

13. What happens if you do not want this mortgage any more?	
Early repayment charges See <i>MCOB 9.4.83R – MCOB 9.4.90R</i>	
For <i>shared appreciation mortgages</i> see <i>MCOB 9.4.130R(3)</i>	
Circumstances in which early repayment charges do not apply See <i>MCOB 9.4.38R(2)</i>	

14. Additional features	
See <i>MCOB 9.4.91R – MCOB 9.4.110R</i>	

15. Overall cost of this mortgage	
See <i>MCOB 9.4.111R – MCOB 9.4.112G</i>	
See <i>MCOB 9.4.113R</i>	
The total amount you would pay back over the example term of [insert number of years] including the amount borrowed is:	£[insert details]
The overall cost for comparison:	[insert details]% APR
See <i>MCOB 9.4.116R</i>	
For <i>shared appreciation mortgages</i> see <i>MCOB 9.4.130R(4)</i>	

16. Using a mortgage intermediary	
This section is required only when the illustration is provided to a customer by a mortgage intermediary. If the illustration is provided by a mortgage lender, this section must be removed.	
See <i>MCOB 9.4.119R – MCOB 9.4.125G</i>	

Contact details

See *MCOB 9.4.126R – MCOB 9.4.127G*

Last updated: January 2017