



JULY 2025

Equity Release

Our Guide To Later Life Borrowing



Mortgage Force Guide to Equity Release

Making the Most of Later Life

Planning for retirement is a very personal journey. For many people, the home they've worked hard for over the years has become their most valuable asset. Rising property prices often mean your home may now be worth significantly more than when you bought it.

Equity release can help you access some of this value, giving you extra financial freedom without the need to move. Whether you'd like to supplement your retirement income, support family, or simply enjoy life more comfortably, equity release could be an option worth considering.



What is Equity Release?



Equity release allows homeowners aged 55 and over to unlock some of the money tied up in their home, while continuing to live in it. The most common form is a Lifetime Mortgage – a loan secured against your property that is usually repaid when you pass away or move into long-term care.

You can take the money as a lump sum, or in smaller, occasional amounts (known as a drawdown facility) depending on your needs.

Key Features of Lifetime Mortgages:

- You remain the legal owner of your home.
- The money you release is tax-free.
- Flexible options, such as making voluntary repayments or protecting a percentage of your home's value for inheritance.
- Products typically come with safeguards such as the no negative equity guarantee (you'll never owe more than your home's worth).

Is Equity Release Right for Me?

Equity release is a long-term commitment and won't be right for everyone. It's important to weigh up the benefits alongside the considerations:

The Benefits:

- Boost your retirement income.
- Repay an existing mortgage.
- Help children or grandchildren onto the property ladder.
- Pay for home improvements, from modern kitchens to energy-efficient heating.
- Fund travel or once-in-a-lifetime experiences.

The Considerations:

- It will reduce the inheritance you leave behind.
- Interest is usually compounded, meaning the loan grows over time.
- Releasing equity may affect your entitlement to means-tested benefits.
- Early repayment charges (ERCs) may apply if you repay the loan early.
- Other options, such as downsizing, should be explored too.

At Mortgage Force, our advisers will take time to explore whether equity release is the right solution for you and your family.



Important: Equity release may not be suitable for everyone. A lifetime mortgage is a loan secured against your home. It will reduce the value of your estate and may affect your entitlement to means-tested benefits. Always seek professional advice.

How Much Could I Borrow?



The amount you can release depends on:

- The value of your home.
- Your age (and your partner's, if applying jointly).
- The type of product chosen.

Your Mortgage Force adviser will provide a personalised illustration showing how much you could release, what it will cost, and the long-term impact on your estate.

Typical Costs to Expect:

- Valuation fee – covers the cost of valuing your home.
- Arrangement fee – sometimes payable upfront or added to your loan.
- Solicitor fees – for independent legal advice.
- Advice fee – agreed with your adviser.
- Early repayment charges – if you choose to repay early (though many plans allow partial repayments without penalty).

The Process – Step by Step

1. Initial Chat – We'll talk through your circumstances and explain how equity release works.
2. Family Discussion – It's important to involve loved ones, as equity release may affect them too.
3. Personalised Recommendation – We'll research the market and provide tailored advice.
4. Application – If you're happy to proceed, we'll guide you through the paperwork.
5. Valuation – Your lender will arrange a professional valuation of your home.
6. Offer – Once approved, you, your solicitor, and we will receive a formal offer.
7. Legal Work – Your solicitor will review the details with you before completion.
8. Funds Released – Once everything is finalised, the money will be paid to you via your solicitor.



Common Questions

Will I still own my home?

Yes – you remain the legal owner throughout.

Can I move house later?

Yes – most plans are portable, provided the new home meets the lender's criteria.

Can I use it to repay my existing mortgage?

Yes – many people do. The released funds can be used to clear outstanding mortgages or debts.

Will I still be able to leave an inheritance?

Yes, but it may be reduced. Some plans let you protect a percentage of your home's value for inheritance.



Equity release is a big decision, at Mortgage Force we're here to:

- Provide clear, jargon-free guidance.
- Compare the whole market to find the right plan for you.
- Support you and your family throughout the process.
- Ensure you fully understand the impact before making a commitment.

If you'd like to explore equity release further, get in touch with Mortgage Force for a no-obligation conversation.