

Voluntary overpayments information

As you already know, some of the providers allow the customers to make overpayments of up to 10% per annum without incurring a redemption penalty.

The providers who allow these 10% overpayments are:

- Aviva
- Hodge Lifetime
- JUST.
- L&G Home Finance
- More 2 life (Capital Choice only)
- OneFamily (Voluntary payment plans only)
- Retirement Advantage (Voluntary Select only)

Each provider has slightly different criteria around what they accept:

Hodge Lifetime:

For the flexible and Lump Sum plans, after the first anniversary of the loan, clients can pay up to 10% of the amount borrowed in up to 2 payments per annum with a minimum of £500 per payment. For the Lifetime mortgages and Indexed Lifetime mortgages, after completion of the loan, clients can pay up to 10% of the amount borrowed in up to 4 payments per annum with a minimum of £500 per payment.

JUST. :

After completion of the loan, clients can pay up to 10% of the amount borrowed in up to 6 payments per annum with a minimum of £500 per payment.

L&G Home Finance:

After completion of the loan, clients can pay up to 10% of the amount borrowed in up to 4 payments per annum with a minimum of £500 per payment.

Retirement Advantage (Voluntary Select Plans):

After completion of the loan, clients can pay up to 12.5% of the amount borrowed each year subject to a minimum of £50 per payment.

OneFamily (Voluntary Payment plans):

After completion of the loan, clients can pay up to 10% of the amount borrowed each year subject to a minimum of £25 per payment.

Aviva:

After the first anniversary of the loan, clients can pay up to 10% of the amount borrowed in up to 4 payments per annum with a minimum of £500 per payment.

More 2 life (Cap. Choice):

After completion of the loan, clients can pay up to 10% of the amount borrowed each year subject to a minimum of £50 per payment.

One of the main questions that often comes up is: *“Can clients make overpayments until the loan is fully repaid?”* See below:

The providers who will accept a scenario are:

- Aviva
- L&G Home Finance
- More 2 life.

The providers who will not accept this scenario are:

- OneFamily
- Retirement Advantage
- Hodge Lifetime.
- JUST.

For the providers who will not accept this scenario, the clients must keep the minimum amount active on their account. So, for example, if the minimum amount is £10,000 as soon as the clients reach this amount, the maximum payment they can make each year is the interest charged. If they choose to repay the remaining amount, it would be subject to redemption penalties (if applicable).