

Product Update

Launching on or around 12th December 2017, OneFamily are introducing their new 2-year Fixed Rate Lifetime mortgages.

Summary

The new 2-year Fixed Rate product will fix the interest rate until 30th November 2020, and then will automatically revert to a variable rate, aligned to the Consumer Price Index (CPI).

The At a glance Guides will be available on OneFamily’s website shortly and will provide a detailed overview of the 2-year Fixed Rate product.

Key Product Features

The product will be available across Interest Roll-up and Voluntary Payment on or around the 12th December.

OneFamily have outlined some key features of the product below, along with the new fixed interest rates:

Lending Criteria

Maximum loan amount	£750,000 nationwide
Minimum age	55 on completion of the advance – LTV based on age of younger applicant
Maximum age	70 on completion
Minimum property value	£70,000
Maximum property value	Unlimited, with a referral for any property over £2,000,000

Key Features

Early repayment charges (ERCs)	Fixed for the first 10 years after completion of the advance – 6% years one to five, and 3% years six to ten.		
Interest Rate	Fixed interest rate will apply from on or around 12th December 2017 until 30 November 2020. Variable interest rate (CPI) will apply from 1st December 2020 and be calculated based on CPI as at 30 September each year.		
LTVs	Age	Lite LTV (from)	Standard LTV (from)
	55	15.0%	20.0%
	60	20.0%	25.0%
	70	30.0%	35.0%
Maximum LTV of 36% at age 70. Detailed LTV tables will be provided in the <i>At a glance</i> Guides.			

Rates

Product	LTV Level	Rate AER	Rate MER	Collar MER	Cap MER
Lump Sum Interest Roll-up	Lite	3.97%	3.90%	2.50%	7.50%
Lump Sum Interest Roll-up	Standard	4.28%	4.20%	2.70%	7.70%
Lump Sum Voluntary Payment	Lite	4.49%	4.40%	2.99%	7.99%
Lump Sum Voluntary Payment	Standard	4.80%	4.70%	3.19%	8.19%

OneFamily Variable Rate Lifetime Mortgage – Pipeline Clients

Should you determine that your pipeline clients are suitable for the new 2-year Fixed Rate product, you may wish to speak with your clients as soon as possible.

Please note however, that the Interest Roll-Up and Voluntary Payment product will be available on or around 12 December 2017. Therefore, if the client is interested, they may experience a delay in their application progressing to completion.