

Product Update

With effect from 10am on Wednesday 6th December, Retirement Advantage will be making the enhancements they introduced in June permanent. They will also be increasing the Voluntary Contribution allowance to 15%.

To remind you, the enhancements are:

1. Increasing the Voluntary Contribution allowance from 10% to 15%.
2. 2 ERC waivers:

- Downsizing Protection - If, after 5 years, the client wants to repay the loan because they are selling their home and moving to a different property they will not need to pay an Early Repayment Charge.
- Early Repayment Waiver - The client will not need to pay an Early Repayment Charge if they decide to repay their Lifetime Mortgage within 3 years of the date that the first borrower dies or goes in to long term care.

More info – Voluntary Contribution allowance

Cash reserve facility

- The voluntary contribution allowance applied to cash reserve facility drawdowns is dictated by the voluntary contribution allowance on the initial advance
 - If the initial advance has 15% allowance, the cash reserve facility drawdown has 15%
 - If the initial advance has 12.5% allowance, the cash reserve facility drawdown has 12.5%
 - If the initial advance has 10% allowance, the cash reserve facility drawdown has 10%

Further advances

- Any further advances will receive the 15% allowance, regardless of the initial advance allowance

Please note, the voluntary contribution allowance remains at 10% for their Landlord Options and Second Home Options

More info – ERC waivers

- The 2 ERC waivers apply to their Interest Select Options and Voluntary Select Options only.
- They are not applicable to the Lifestyle Options, Landlord Options or Second Home Options.
- Both ERC waivers will be offered to your clients automatically, free of charge

Applications

If you wish to take advantage of the 15% voluntary contribution allowance on an existing applications, please contact Retirement Advantage on 0800 068 0212.

