

Product Update

With effect from 23rd April 2018, Hodge Lifetime are introducing their new 2 year fixed rate Retirement Mortgage.

The product will have the same set up as the current Retirement Mortgage – 5 year fix, but with differences in rate and ERC's

What stays the same?

- LTV's
- Age 55-70 - 50%
- 71-75 - 45%
- 76 - 85 - 40%
- Monthly interest payments required
- Based on affordability – Hodge accept income both pre and post retirement
- Ability to overpay by up-to 10% from day 1
- Available in England, Wales and Scotland
- Survey deals and incentives remain unchanged

What is different?

- Rate is 3.45% fixed for 2 years, 3.62% APR, product then moved onto SVR (currently 4.45%), with the option to re-fix
- ERC's 3% years 1 and 2, zero thereafter

What does a Retirement Mortgage customer look like?

Aged between 55-85, this customer is looking for a mortgage that isn't traditional equity release. They may still be working, have a current mortgage and are looking for a good LTV with the ability to make or continue monthly interest only repayments.

They have a decent level of income, whether it comes from employment, self employment, property rental, investment or pensions. They like the idea of flexibility, and want a mortgage that can change with them. Fixed ERC's and the option to convert to roll up later in life appeal. They want control over how much is left to family when the time comes.

