

Product Update

With effect from 8am on Thursday 12th April 2018, L&G are launching their New Optional Payment Lifetime Mortgage

With the Optional Payment Lifetime Mortgage, your customers can choose to pay some, or all, of the monthly interest by Direct Debit. They can also stop making monthly interest payments at any time and convert to full interest roll-up.

Who is it for?

This product is designed for customers that have some monthly income and who wish to continue with the routine of making regular monthly interest payments, but do not have enough income to qualify under a residential mortgage affordability assessment. For example, customers aged 55 and over with maturing interest-only mortgages with no means to repay the capital.

The Key Features:

- Make monthly interest payments by Direct Debit.
- Choose a payment amount that's right for your customer's budget - pay any amount between £25 and the full monthly interest each month.
- Fixed interest rates for life
- Choose a payment term that's right for your customer – anything from 1 year to the full duration of the lifetime mortgage.
- No risk of payment default - stop making monthly interest payments at any time and remain in the home for the rest of their lives.

What makes their Optional Payment Lifetime Mortgage better?

- Available online – online KFIs and Apply Online.
- Available from just 3.91% AER
- No fees or interest rate increase on conversion to full interest roll-up.
- A Drawdown Facility is available on all OPLM products.
- The option to pay monthly interest payments on Drawdowns.

Remember, no income and expenditure information required - available without any affordability assessment.

| | London and S.East (no cashback) | London and S. East (with cashback) | Rest of the UK (no cashback) | Rest of the UK (with cashback) |
|--------------------------------------|------------------------------------|---------------------------------------|---------------------------------|-----------------------------------|
| Optional Payment (no fee) | 3.90% (3.97% AER) | 4.09% (4.17% AER) | 3.88% (3.95% AER) | 4.07% (4.15% AER) |
| Optional Payment (£599 fee) | 3.86% (3.93% AER) | N/A | 3.84% (3.91% AER) | N/A |
| Optional Payment Plus (no fee) | 4.20% (4.28% AER) | 4.39% (4.48% AER) | 4.16% (4.24% AER) | 4.35% (4.44% AER) |
| Optional Payment Plus (£599 fee) | 4.16% (4.24% AER) | N/A | 4.12% (4.20% AER) | N/A |
| Optional Payment Max (no fee) | 4.84% (4.95% AER) | 5.03% (5.15% AER) | 4.80% (4.91% AER) | 4.99% (5.11% AER) |
| Optional Payment Max (£599 fee) | 4.80% (4.91% AER) | N/A | 4.76% (4.87% AER) | N/A |
| Optional Payment Max Plus (no fee) | 5.46% (5.60% AER) | 5.65% (5.80% AER) | 5.40% (5.54% AER) | 5.59% (5.74% AER) |
| Optional Payment Max Plus (£599 fee) | 5.42% (5.56% AER) | N/A | 5.37% (5.50% AER) | N/A |