

A Guide to Equity Release

Understanding how to unlock the value in your home, with expert guidance every step of the way

This guide contains 14 pages and will take approximately 15 minutes to read



What's Inside

Everything you need to understand about equity release, from how it works to whether it could be right for you.

Contents

03

What Is Equity Release?

04

How Much Could You Release?

05

How It Works in Practice

06

Lump Sum vs Drawdown

07

Costs, Protection and Tax

08

Equity Release vs the Alternatives

09

Margaret and David's Story

10

Is It Right for You?

11

Common Questions

12

Your Next Steps

13

Your Home, Your Future

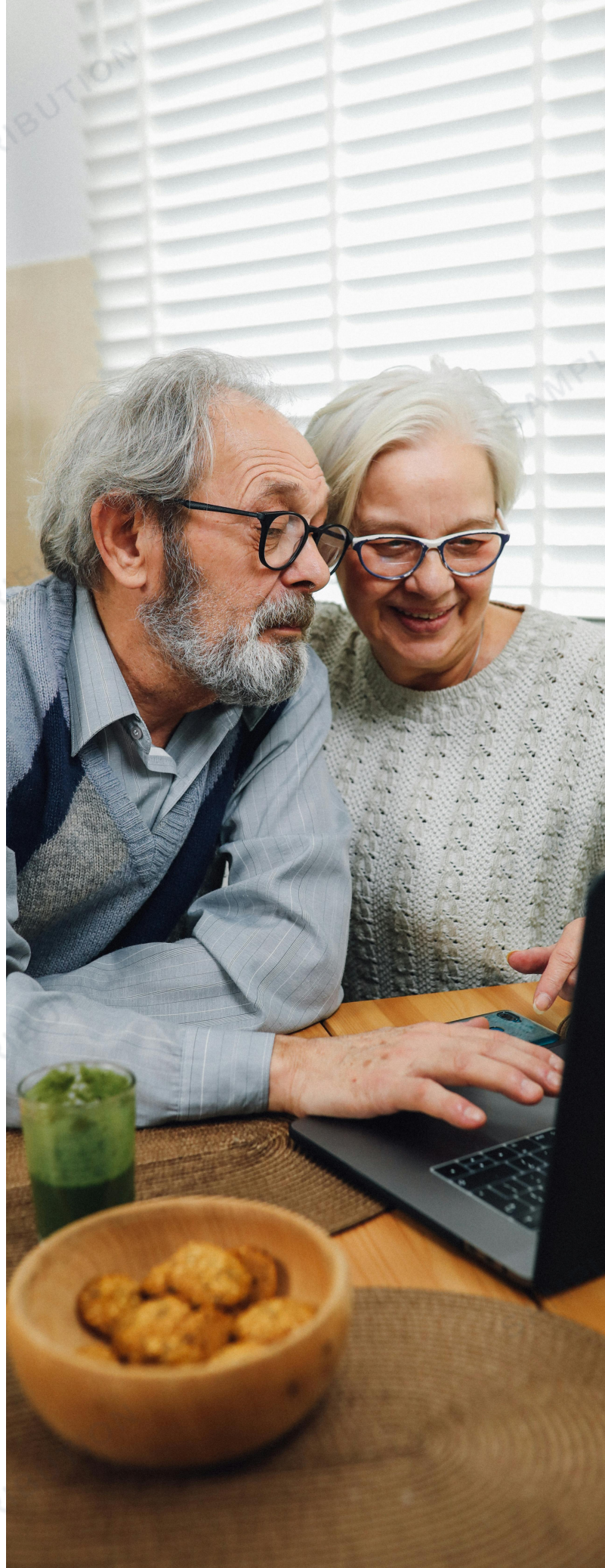
What Is Equity Release?

Equity release is a financial product that allows you to access the value of your home without having to sell it. It can be used for a variety of purposes, including paying for care, home improvements, or simply supplementing your income. There are two main types of equity release: lifetime mortgages and home reversion plans.

Lifetime mortgages involve borrowing against the value of your home, with the loan being repaid when you die or move into care. Home reversion plans involve selling a portion of your home to a provider in exchange for a lump sum or regular payments.

The Two Types

- **Lifetime mortgages** involve borrowing against the value of your home, with the loan being repaid when you die or move into care. There are two main types of lifetime mortgage: interest-only and interest-and-principal. Interest-only mortgages allow you to borrow a lump sum, which you can use for any purpose. You only have to pay interest on the loan, and the principal is repaid when you die or move into care. Interest-and-principal mortgages allow you to borrow a lump sum, which you can use for any purpose. You have to pay both interest and principal on the loan, and the loan is repaid when you die or move into care.
- **Home reversion plans** involve selling a portion of your home to a provider in exchange for a lump sum or regular payments. There are two main types of home reversion plan: full and partial. Full home reversion plans involve selling 100% of your home to a provider. Partial home reversion plans involve selling a portion of your home to a provider. You can continue to live in your home, but you will have to share the equity with the provider.



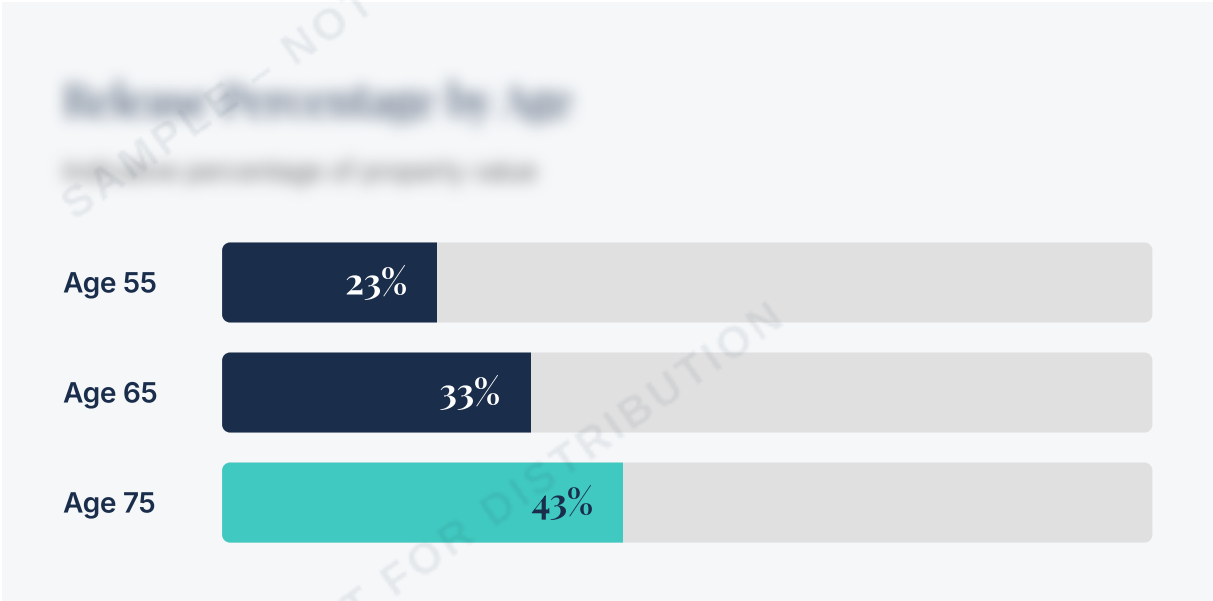
How Much Could You Release?

The amount you can release depends on your age, your property value and your health. Older homeowners can typically access a higher percentage of their home's value.

55+
Minimum age to qualify

20-60%
Typical release range

£636m
Released by UK homeowners in Q2 2025



Your age is the biggest factor, but your health matters too. If you have certain medical conditions, you may qualify for an enhanced plan with better terms. We will assess your circumstances to find the right option.

How It Works in Practice

Equity release is a straightforward process when you have expert guidance. Here is what to expect at each stage.

The Process

The process begins with an initial consultation where we discuss your goals and identify equity release as the right solution. Then, we arrange a professional property valuation and help you choose the most suitable plan from over 1000 products on the market.

- You will receive a personalised quotation showing exactly how much you could release.
- An independent solicitor will explain the legal implications and ensure you fully understand the contract.
- Once everything is agreed, the funds are typically released within 1 to 2 weeks of your initial application.

Your Protections

Every Equity Release Council approved plan comes with an array of protections to help ensure equity release is right for you. You will have access to a 24-hour helpline, the right to cancel at any time for life, the right to make your plan a new property, the right to make any repayments, and to vary repayment charges if you need to make changes.

We handle everything

From comparing plans to talking with solicitors, we manage the entire process. We will always be there to help and support you every step of the way.

Lump Sum vs Drawdown

Most equity release plans offer a choice between receiving your money all at once or drawing it down in stages. In 2025, 80% of customers chose drawdown plans.

Lump Sum

- ✓ Full amount released at once
- ✓ Fixed interest rate for life
- ✓ No negative equity protection
- ✗ Interest on full amount from day one
- ✗ No flexibility to access more

Get the full details and compare interest rates

MOST POPULAR

Drawdown

- ✓ Release money as you need it
- ✓ Fixed rate on each withdrawal
- ✓ No negative equity protection
- ✓ Interest only on what you draw
- ✓ Flexible facility to take more

Get the full details and compare interest rates

Costs, Protection and Tax

Understanding the full cost of your release is essential before making a decision. Here's what you need to know.

Interest Rates

Interest rates on lifetime mortgages currently range from around 4.5% to 7% APR. Because interest rate is compounded over time, the total amount paid can grow significantly. Making voluntary payments, where you pay when you can, helps to reduce mortgage costs.

Impact on Your Estate

The loan reduces your estate value, which may have any implications for family members. It also means less inheritance for your beneficiaries. If you change your mind and get the funds, the amount paid can be considered as a gift.

Means-Tested Benefits

Receiving equity release could affect your eligibility for means tested benefits such as Pension Credit or Council Tax Support. We will consider this for you before you decide on releasing any cash.

Key Figures

6.25%

Interest rate on lifetime mortgage

£125k

Net amount available for release

1.66%

Fee payable on release

Equity Release vs the Alternatives

Equity release is not the only way to access your property wealth. Here we compare it with the most common alternatives.

Feature	Equity Release	Downsizing
Minimum age	55	None
Stay in your home	Yes	No
Monthly repayments	None required	N/A
Impact on inheritance	Reduces estate value	Depends on new home
Retain full ownership	Yes	Yes
Costs involved	Interest (rolls up)	Stamp duty, moving

Don't forget the bigger picture

Equity release works best as part of a long-term financial plan. Consider how it fits alongside your pension income, savings and any other assets. We will help you see the full picture.

Margaret and David's Story

How to help your clients understand the benefits of staying in their homes and help the next generation.

Margaret, 75 and David, 68 [View Profile](#)

Retired couple who have owned their home for 30 years. They are looking for ways to help their daughter buy her first home.

Stay independent at home Help daughter buy first home Peace of mind for the future



How to help your clients understand the benefits of staying in their homes and help the next generation.

The home is the most valuable asset you own. It's also the most liquid asset you own. It's the only asset you can't lose. It's the only asset you can't sell. It's the only asset you can't give away. It's the only asset you can't inherit. It's the only asset you can't pass on. It's the only asset you can't lose. It's the only asset you can't sell. It's the only asset you can't give away. It's the only asset you can't inherit. It's the only asset you can't pass on.

Is Equity Release Right for You?

Use this checklist to help you decide whether equity release could work for you.

1	Are you aged 55 or over?	2	Do you have a good credit rating?
3	Do you want to stay in your home?	4	Do you have a suitable property?
5	Are you a homeowner?	6	Are you a sole trader?
7	Do you have the right to occupy the home?	8	Do you have a suitable mortgage?
9	Do you have a suitable property?	10	Do you have a suitable mortgage?

Did you know?

Equity release is a financial product that allows you to access the equity in your home. It can be used for a variety of purposes, including retirement income, home improvements, or paying for care. However, it is important to understand the risks and costs associated with equity release before deciding if it is right for you.

Common Questions

Click answers to the questions you want to read about equity release.

Q Can I still live in my home?

A With a lifetime mortgage, you retain full ownership and the right to live in your home for life. This is guaranteed by the Equity Release Council's strict lending criteria.

Q What happens when I die or move into care?

A The property is sold and the loan and any interest is repaid from the proceeds. Any remaining money belongs to your estate or your beneficiaries.

Q Can I move home?

A Some plans include a portability feature that allows you to transfer the plan to a new property, subject to the new property meeting the lender's criteria.

Q Will I owe more than my home is worth?

A No. All Equity Release Council approved plans include a no-negative equity guarantee. This is your estate or your heirs will never owe more than the sale price of your home.

Q Can my family still inherit?

A Yes. Though the amount will be reduced by the loan and any interest that has built up. Some plans allow you to ring fence a percentage of your property value to protect a guaranteed inheritance.

Your Next Steps

Four simple steps to find out what an equity release could mean for you.

- 1** **Have an initial conversation with us** 30 MINS

Let us discuss your goals, explain your options, and answer any questions. There is no obligation and no cost for this first meeting.
- 2** **Gather your property documents** 15 MINS

Put your most recent property valuation, council tax band, any existing mortgage deeds, and a recent utility bill to hand at address.
- 3** **Talk to your family**

Discuss the plan with your children or beneficiaries. Equity release affects inheritance, and that may not be suitable.
- 4** **Book your full advice appointment** 5 MINS

Call us or email to arrange a comprehensive equity release review. We will explain the whole process to find the right plan for you.

Ready to take the next step?

Call us on **0800 344 3444** or email enquiries@equityrelease.com to book your free initial consultation.



Your Logo

Let's talk about your home and your future

Whether you are exploring equity release for the first time or revisiting your options, we are here to help you make an informed decision. Every situation is different, and we take the time to understand yours.

Book a consultation

[Call](#)

[| Email](#)

[| Visit](#)

Your Financial Adviser | 123 High Street, London EC1A 1AA

FCA Number XXXXXX | Company Number XXXXXXXX