



HAWKEYE
FINANCIAL



EQUITY RELEASE



HAWKEYE FINANCIAL

WHEN PRECISION MATTERS

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What is equity release?



Equity release refers to a range of products letting you access the equity (cash) tied up in your home in later life.

Many people have benefited from releasing a portion of the value of their property to spend on a number of things crucial to their or a loved one's life.

Equity release is also often used for the costs of care, paying off a mortgage, to spend on home or garden improvements, or for inheritance reasons.

But care does need to be taken and this avenue may not be the very best solution for everyone.

Equity release requires paying off any existing mortgage. Any money released, plus accrued interest, will be repaid upon death or moving into long-term care.

As equity release specialists, Hawkeye Financial provide informative, impartial advice covering your options as well as explaining how equity release can work for you.

This guide has been designed to help you understand your options when considering a mortgage that extends into, or starts during, your retirement.

Why choose equity release?

Releasing cash from your home could enable you to...



make those dream home renovations



top up retirement income



cover funeral costs



adapt your home for independent living

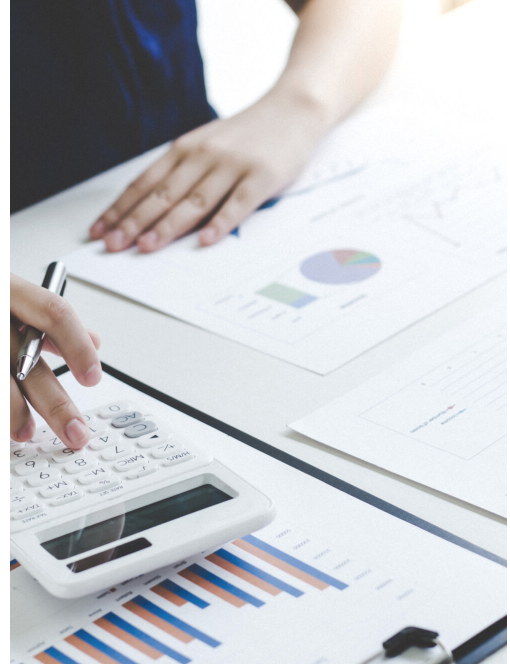


take the holiday of a lifetime



help family with the important life moments

Types of equity release product



Virtually all lenders allow you to take out a mortgage that extends past your stated retirement age as long as you can afford the payments and the mortgage is repaid at the end of the term.

However, there are also some banks, building societies and specialist firms that offer lending products that go well beyond a stated retirement age, and some that will only require you to repay the mortgage at the point of moving into long-term care or through your estate at the end of your life.

1

STANDARD MORTGAGES THAT EXTEND INTO RETIREMENT

These are conventional mortgages but they have terms that extend beyond your retirement age- provided you can evidence that you will continue to be able to afford the loan until the end of the mortgage term. You will need to make monthly payments of either capital and interest (repayment) or just interest (Interest Only).

If capital and interest payments are made, the mortgage balance reduces each year and the balance is fully repaid by the end of the term. If you choose to only pay the interest, you will still owe the original amount borrowed at the end of the term, so you will need to have an agreed plan with your lender on how to repay this.

2

RETIREMENT INTEREST ONLY (RIO) MORTGAGES

A RIO mortgage is an Interest Only mortgage that allows you to pay just the monthly amounts of interest throughout the term until either the death of the last remaining borrower or when the last remaining borrower moves into long-term care.

When one of these events occurs the mortgage ends and the amount outstanding must be repaid in full.

It's important to note that all borrowers on this mortgage must be able to individually evidence that they can afford the monthly mortgage payments for the entire term.

Types of equity release product



3

LIFETIME MORTGAGES

The key difference with this product compared to a standard mortgage or a RIO is that monthly payments are not required. However, many lenders will allow you to make full or partial interest payments on a monthly or ad-hoc basis. Either way, the mortgage is repayable upon death of the last remaining borrower or when the last remaining borrower moves into long term care.

Where no monthly payments are made, the interest accrues over the lifetime of the mortgage, meaning the amount you owe at the end of the mortgage will be more than the amount you borrowed. This could reduce the value of the estate you will leave behind.

4

HOME REVERSION PLANS

A Home Reversion Plan is technically not a mortgage, but rather a property sale transaction which allows you to sell a percentage of your property but continue to live in it (usually rent free) until the end of your life or until you move into long term care.

You can typically sell between 25 per cent and 100 per cent of your property to the provider, and the amount you receive in return will be less than the market value.

MAKING THE RIGHT CHOICE FOR YOU

Every equity release product comes with potential benefits and risks that should be carefully considered before moving forward.

As experienced equity release specialists, Hawkeye Financial can help you to determine the best choice for you and your future.

Things to consider

HELPING US TO HELP YOU

As a qualified and reputable equity release specialist, Hawkeye Financial can help you make the right choices for your circumstances and goals.

However, some careful consideration on your part will help us to give the best advice we can, and provide the most personalised service.

Some things you may wish to consider before speaking to an advisor are:

- Your short and long-term aspirations.
- Your circumstances and how they might change in the future - if your circumstances are likely to change make sure you tell your advisor as their advice should take this into account.
- What sort of payments do you want to make? Mandatory, voluntary or no payments at all?
- How is your health? Is your health likely to impact your ability to make payments in the future?
- Consider any future care needs you may have. Would you want to be able to adapt your home accordingly or move into long-term care? Think about the costs associated with these.
- If you're considering giving a lifetime gift to your family, consider what might happen if you need that money to pay for things in the future.

Whatever you decide to do, make sure you fully understand all your options and consider talking to your family before making any decisions. You may wish to ask a family member to accompany you to your advisor appointments.



Choosing a financial advisor

It's important to choose the right financial advisor, and Hawkeye Financial is the perfect fit



TYPES OF MORTGAGE ADVISOR

Not all advisors advise on all types of products. Your advisor should explain the breadth of products and services they cover and if they don't advise on products that meet your needs, they should refer you to another advisor.

PRODUCT COVERAGE

It's important to establish the range of products and lenders that your advisor has access to before you start the advice process. Some may have access to a wider range of lenders and products than others, meaning your borrowing options might differ depending on the type of advisor you speak to.

At Hawkeye Financial, we are able to advise on all types of equity release and mortgage products, with access to a wide range of lenders and providers.

REGULATIONS AND CERTIFICATIONS

Advisors in the mortgage market must be authorised by the Financial Conduct Authority (FCA). The FCA Financial Services Register lists authorised firms and individuals and the activities they have permissions for; this register can be searched online.

If any provider of an equity release product is a member of the Equity Release Council, additional protections are available, and the firm will be listed on their member directory. For more information, go to www.equityreleasecouncil.com

Hawkeye Financial is registered with the Financial Conduct Authority (registration number 460421) and is a member of the Equity Release Council.



How Hawkeye can help

Hawkeye Financial can help you make the right choices around equity release



PHIL KERLEY

Managing Director
FPC 1,2,3 & MAQ, DIPFA

Phil Kerley is a highly qualified independent financial advisor with over 30 years experience. Specialising in mortgages, equity release, and financial planning, Phil created Hawkeye Financial out of a passion to help clients achieve their financial goals; a drive that informs everything Hawkeye Financial does.

At Hawkeye Financial, we're committed to helping you make the most of your finances.

As independent financial advisors we act on your behalf, not on behalf of any lender, protection or investment company.

We have years of experience in financial advice, and we can provide initial advice for free and without obligation, tailor made with individual personal professional advice.

Hawkeye Financial Services are happy to offer a free and frank no obligation personal equity release appraisal, including an illustrated guide to best fit your individual circumstances.

Hawkeye Financial Limited is an Appointed Representative of New Leaf Distribution Ltd. who are authorised and regulated by the Financial Conduct Authority (registration number 460421)

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