



Pure Sovereign

Early Repayment Charges Guide

It is important to us that you fully understand the cost of releasing equity from your home, as well as when Early Repayment Charges (ERCs) might be payable.



1. Making an Early Repayment

The loan can be repaid in full at any time. Partial repayments can also be made, providing there is a minimum loan balance of £10,000 remaining after the partial repayment has been applied to your account(s).

The loan is designed to be repaid when the borrower(s) die or move into long-term residential care. If the mortgage is repaid at any time prior to either of these events taking place, an early repayment charge (ERC) may be payable.

When Won't We Charge ERCs?

- When you move home and transfer this mortgage to another property acceptable to Pure Retirement.
- Repayment on the death or movement into long-term care for a single borrower.
- For a joint life account, where one borrower dies or moves into long-term care. The remaining borrower may repay the lifetime mortgage within 3 years with no ERCs.
- For a joint life account upon death or entry long-term care of the remaining borrower.

All of the above are subject to terms and conditions.

When Will We Charge ERCs?

- When a mortgage is repaid or partially repaid for any other reasons than those stated above.

2. Why do we charge an ERC?

The early repayment charge is calculated to recover costs that we incur when setting up the lifetime mortgage and the cost associated with the early termination of the loan.

3. How the ERC is Calculated and Example ERCs

The charge payable is calculated based on the initial advance amount.

There are two variations of ERCs on our Sovereign range/products. Please refer to section 13 of your Key Facts Illustration and/or your Offer letter, or speak to your adviser to see which applies to you. Details of the ERCs for each plan are given below.

Standard Package

Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11+
8%	8%	8%	8%	8%	6%	6%	6%	0%	0%	0%

Fees Package

Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11+
10%	9%	8%	7%	6%	5%	4%	3%	2%	1%	0%

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Full Redemptions

The following examples are based on a £50,000 advance amount.

Standard Package Full Redemptions

Year	Months	% ERC	ERC
1	0 to 12	8.00%	£4,000.00
2	13 to 24	8.00%	£4,000.00
3	25 to 36	8.00%	£4,000.00
4	37 to 48	8.00%	£4,000.00
5	49 to 60	8.00%	£4,000.00
6	61 to 72	6.00%	£3,000.00
7	73 to 84	6.00%	£3,000.00
8	85 to 96	6.00%	£3,000.00
9	97 to 108	0.00%	£0.00
10	109 to 120	0.00%	£0.00

Fees Package Full Redemptions

Year	Months	% ERC	ERC
1	0 to 12	10.00%	£5,000.00
2	13 to 24	9.00%	£4,500.00
3	25 to 36	8.00%	£4,000.00
4	37 to 48	7.00%	£3,500.00
5	49 to 60	6.00%	£3,000.00
6	61 to 72	5.00%	£2,500.00
7	73 to 84	4.00%	£2,000.00
8	85 to 96	3.00%	£1,500.00
9	97 to 108	2.00%	£1,000.00
10	109 to 120	1.00%	£500.00

Partial Repayments

Partial repayments (where you do not settle the full advance) that are subject to ERCs work on the same principle as above. Your account balance will reduce by the partial repayment amount (less any early repayment charges – if applicable) on the day we apply the funds to your account. The amount of interest that accrues on your account will reduce because the balance of the account has reduced. This will happen from the day we have applied the funds to your account.

We will make partial repayments to your account no later than 1 working day after the funds have cleared in our account. You can make a partial repayment at any time during the lifetime mortgage. Please see below for some examples of the ERCs for a partial repayment.

These examples are based on the following:

- £50,000 advance amount.
- A partial repayment of £1,000 in month 27 since the account began (i.e. since account inception).
- A partial repayment of £1,200 in month 62.
- A partial repayment of £1,100 in month 101.

Standard Package Partial Repayments

Year	Months	% ERC	Early Repayment Amount	Early Repayment Charge
1	0 to 12	8.00%	N/A	N/A
2	13 to 24	8.00%	N/A	N/A
3	25 to 36	8.00%	£1,000.00	£80.00
4	37 to 48	8.00%	N/A	N/A
5	49 to 60	8.00%	N/A	N/A
6	61 to 72	6.00%	£1,200.00	£72.00
7	73 to 84	6.00%	N/A	N/A
8	85 to 96	6.00%	N/A	N/A
9	97 to 108	0.00%	£1,100.00	£0.00
10	109 to 120	0.00%	N/A	N/A

Fees Package Partial Repayments

Year	Months	% ERC	Early Repayment Amount	Early Repayment Charge
1	0 to 12	10.00%	N/A	N/A
2	13 to 24	9.00%	N/A	N/A
3	25 to 36	8.00%	£1,000.00	£80.00
4	37 to 48	7.00%	N/A	N/A
5	49 to 60	6.00%	N/A	N/A
6	61 to 72	5.00%	£1,200.00	£60.00
7	73 to 84	4.00%	N/A	N/A
8	85 to 96	3.00%	N/A	N/A
9	97 to 108	2.00%	£1,100.00	£22.00
10	109 to 120	1.00%	N/A	N/A

If you are unsure of any of the above, then please ask your adviser to explain it to you.

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