

Paying off an interest-only mortgage with a high loan-to-value (LTV) equity release loan



The client

- Evelyn C. Francis • Single • Aged 80 • Current house value: £270,000
- Requires: £120,000 • Maximum loan-to-value: 50.5% • Drawdown facility

Evelyn's story

Evelyn's endowment doesn't stretch far enough to cover the remaining balance of her interest-only mortgage. Her outstanding mortgage is **£40,000**; however, she's also looking to raise funds to take the family on a cruise.

As Evelyn is 80, she wants to make provisions for care in her home for which additional funds are needed. She's comfortably lived in her current home for several years and with time the value of the property has increased. Evelyn turns to her later life mortgage adviser for support, who reviews and discusses later life borrowing options with her that best match her current and future financial needs.

Optional Repayment Possibilities:

As Evelyn has some premium bonds, if she were to get a windfall, she'd be interested in making some one-off contributions towards the loan. These voluntary payments will help her minimise the risk of the equity eroding and will enable her to leave more equity in the home for her family after she passes. She can make up to 6 payments per year penalty-free provided these are no more than 10% of advances.

Managing Her Lifetime Mortgage with MyPure

Evelyn can manage her lifetime mortgage online through the account management platform, MyPure. She can view her account balance, make one-off optional repayments, and access a bank of FAQs to support her along the lifetime mortgage journey.

Evelyn is advised to take a **Heritage Special lifetime mortgage from Pure Retirement.**



Maximum available is **£136,350** and she opts to release **44.4% LTV (£120,000)**



She uses **£60,000** to pay-off her mortgage and treats the family to a cruise



She opts for a drawdown facility and uses the remaining **£60,000** for home improvement

Thinking about Equity Release?

Pure Retirement is a specialist lifetime mortgage provider regulated by the Financial Conduct Authority and a member of the Equity Release Council. It is important to consider all options before you apply for equity release.

Pure Lifetime Mortgage Features

Guaranteed no negative equity

Optional monthly repayments

Client retains ownership of the property

Regulated by the FCA

Member of the Equity Release Council

Things To Consider

Downsizing and other forms of finance should be considered

Compound interest roll-up

Early repayment charges

Long-term care and state benefits considerations

A lifetime mortgage may impact the inheritance you leave

Figures used are for illustrative purposes only and show an example of Pure Retirements Lifetime Mortgages and how they have been previously used.



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