



**Completing an
affordability
assessment for
Payment Term
Lifetime Mortgage**

Example

To illustrate how to input an income assessment, we'll use the example of Jean and Graham, aged 50 and 54.

Jean and Graham are both teachers and would like to know if they could be eligible for a Payment Term Lifetime Mortgage (PTLM).



Step 1 Understand

- When your clients expect to fully retire, this will determine the length of the payment term.
- What income your clients are currently receiving which they will continue to receive throughout the entirety of their payment term, including all sources of income for example:
 - Income from permanent employment
 - Income from self-employment
 - Income from fixed term contract employment
 - Income from pensions and income from investments, including rental income

Step 2 Assess pensions in payment

If any pensions are in payment, refer to the Assessing affordability sales aid, to understand what evidence you need to submit.

Step 3 (Optional) Contact us

To confirm how much we would be able to lend your client on their individual circumstances contact us using the details below.

Enter the applicants' details into our PTLM affordability calculator. This will give you an indication of the amount your clients could borrow.

Step 4

Add the applicants' details into the portal

Now you've completed an initial assessment of your clients' income, you can input both applicants' details into the PTLM portal.

In the **Applicant Details** screen, enter their expected full-retirement date under the 'What date did the applicant retire or are they expecting to retire' question.

The screenshot shows the 'Applicant Details' form. At the top, there's a section for 'Number of Applicants' with two radio buttons, '1' and '2', where '1' is selected. Below this are several input fields: 'Title *' (a dropdown menu with 'Select' visible), 'First Name *', 'Surname *', 'Gender *' (a dropdown menu with 'Select' visible), 'Date of birth *', 'Current Age' (a greyed-out field), and 'What date did the applicant retire or are they expecting to retire *?' (a date input field).

As both applicants are still working, in the **Applicant Employment Details** screen the 'Employment status' of the applicants must be 'Employed', 'Self-employed' or 'Fixed term contract'.

The screenshot shows the 'Primary Employment status' form. It features a dropdown menu for 'Employment status *' with a list of options: 'Select', 'Employed', 'Self Employed', 'Fixed Term Contract', 'Retired', 'Student', 'Homemaker', and 'Not working'. Below the dropdown is a question: 'Does the applicant have any sources of Other Income? *?' with 'Yes' and 'No' radio buttons.

Now answer the question 'Does the applicant have any sources of Other income?' to input any other sources of income they currently receive, that are not a form of employment income (identified in Step 1). You will then be prompted to enter their state pensions.

The screenshot shows the 'Other Income' form. It starts with the question 'Does the applicant have any sources of Other Income? *?' and has 'Yes' selected. Below is a table for 'Other Income' with columns for 'Source *', 'Annual Amount *', 'Spousal Benefit (%) *?', and 'Delete'. A dropdown menu is open for the 'Source *' column, showing a list of income types: 'Select', 'Universal credit', 'Bursary/Stipend', 'State pension', 'Pension - Flexi access income drawdown', 'Company/Occupational pension - Defined benefit/lifetime', 'Pension - non-escalating annuity', 'Pension - escalating annuity', 'Guaranteed investment income', 'Non-Guaranteed investment income', 'War widows pension', 'War disablement pension', and 'Maintenance'. At the bottom, there's a question: 'Is the applicant's income and expenditure likely to affect their ability to meet their mortgage payments? *?' with 'Yes' and 'No' radio buttons.

Get in touch

To find out more, contact us using the details below, or speak to your dedicated account manager.

Call: 03330 048 444

Lines open Monday to Friday, 8.30am to 5.30pm.
Call charges will vary. Calls may be recorded and monitored.

Email: adviser.support@landghomefinance.com

Visit: legalandgeneral.com/adviser/get-in-touch

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