

# Payment Term Lifetime Mortgage

## What is it?

Our Payment Term Lifetime Mortgage (PTLM) is a lifetime mortgage for clients aged 50 and over.

It enables them to take out a new mortgage, or replace their existing one. This allows them to make interest only payments until they fully retire or turn 75 years old (whichever is sooner).

The amount your client wishes to borrow is subject to affordability checks.

## Who is it for?

### **Our Payment Term Lifetime Mortgage is designed for clients who:**

- Are aged 50 or over and are living in England, Wales or mainland Scotland.
- Need to borrow a minimum of £10,000.
- Can pay all of the monthly interest up until they fully retire.
- Are living in their own home and may have an interest only mortgage with no means to repay the loan.
- Have a good income during employment and/or semi-retirement, and pass affordability assessments but may be unable to pass them post full-retirement.
- If joint borrowers, at least one needs to be in some form of employment.

### **It may not be suitable for clients who:**

- Can't fully commit to making monthly interest only payments until they fully retire.
- Have savings or investments that they can consider using instead.
- Have sufficient long-term income which would mean that they may qualify for a personal loan or residential mortgage.
- Are unable to pass affordability assessments. This could be due to not having enough income whilst employed and/or semi retired.

Criteria	
<b>Amount available</b>	Actual loan amount determined by an affordability assessment up to the maximum LTV available for your client.
<b>Minimum loan amount</b>	£10,000 as Initial Advance.
<b>Maximum loan amount</b>	£750,000 (refer cases over this).
<b>Minimum applicant age</b>	50 years.
<b>Maximum applicant age</b>	74 years at time of application.
<b>Maximum Number of applicants</b>	2 applicants.
<b>Minimum property value</b>	£70,000. £100,000 for flats, maisonettes, ex-council, ex-housing association and ex-MOD.
<b>Maximum property value</b>	Unlimited. <b>Note: Haircuts will apply to all flats, and may apply to houses over £1.4m in London, and £600,000 in the rest of the UK.</b>
<b>Property location</b>	England, Wales or mainland Scotland.
<b>Tenure</b>	Freehold. Leasehold (remaining term plus the age of the youngest borrower at completion must be at least 175 years).
<b>Property age</b>	No restrictions

Monthly interest payment criteria	
<b>Monthly Interest Payment amount</b>	Full monthly interest charged on the loan.
<b>Changes to Monthly Interest Payment</b>	Your clients cannot change their Monthly Interest Payment amount once their lifetime mortgage has completed.
<b>Payment Term</b>	Customers must make Monthly Interest Payments for a chosen payment term up until their planned full retirement date or their 75th birthday (whichever comes first), the payment term can't be changed after the loan completes.

## Product features

### No Negative Equity Guarantee

Your clients, or their beneficiaries, will never have to pay back more than the amount their property is sold for, provided it's sold for the best price reasonably obtainable, and they've met the terms and conditions of the loan.

Please note: This doesn't apply to any Monthly Interest Payments your client's fail to make in full, and on time, throughout the Payment Term. This includes any interest which has accrued on any Monthly Interest Payments they fail to make.

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### Inheritance Protection at no extra cost

Your clients can protect a percentage of their property value at the outset.

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### Overpayments

No overpayments are allowed during the Payment Term. In any 12 month period starting at the end of the Payment Term (and on each anniversary of the completion of the loan), they can:

- Repay up to 10% of the total amount borrowed
- Make up to 12 repayments.
- Make payments of at least £50.
- Make OPR's by Regular Standing Order.

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### Additional borrowing

Lump sum only. Further Advance requests will be considered after 12 months of the loan completing. Your client may be subject to an affordability assessment.

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### Portability

Your clients can move to another property, subject to your clients and the property meeting our criteria at the time. Partial repayment may be required if they are moving to a lower value property.

No ERC will be payable on such partial repayments.

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### Interest rate

Fixed for life of loan.

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## Borrower costs and fees

**Arrangement fee** £599 on selected products. This fee can be added to the loan in excess of maximum LTVs. No fee on all other products.

**Valuation fee** Currently free.

**Legal fees** Your clients will pay their own solicitor's costs and all disbursements.

**Early Repayment Charges** The Early Repayment Charge on PTLM is a fixed stepped percentage which reduces depending on how long your client has had the mortgage. If your client repays their mortgage in full or makes overpayments above 10% of their mortgage balance each year, they'll be charged as below:

**Fixed ERCs** are based on a percentage of the initial loan and the length of time that your client has had the loan.

Number of years your client has had the loan	Percentage of initial loan to pay as an ERC
1 – 5	9%
6 – 8	8%
9	7%
10	6%
11	5%
12	4%
13	3%
14	2%
15	1%
16 and over	0%

### Notes

An Early Repayment Charge is not payable if the loan is repaid:

- On any overpayment they make within the permitted limits.
- If they move home and transfer their PTLM to a new property that is acceptable to us and as a result of which they repay a part of the mortgage as required by us.
- If they have had the mortgage for over 5 years and are moving to a property that does not meet our lending criteria at that time.
- If they repay after they (or if joint borrowers, the last surviving of them) dies or goes into long term care.
- If joint borrowers and the last surviving of them repays in the first three years after the first of them dies or moves into long term care.

**Maximum Loan to values for sole applicants – For more details of the maximum LTVs that apply to individual product variants and the associated interest rates, please log in to our Later Life Mortgages portal.**

Age	1yr	2yr	3yr	4yr	5yr	6yr	7yr	8yr	9yr	10yr	11yr	12yr	13yr	14yr	15yr	16yr	17yr	18yr	19yr	20yr	21yr	22yr	23yr	24yr	25yr
50					26.7%	28.0%	29.4%	30.8%	32.3%	33.9%	35.6%	37.4%	39.2%	41.2%	43.2%	45.3%	47.6%	49.9%	52.4%	54.9%	57.7%	60.5%	63.5%	66.6%	69.9%
51				25.4%	26.7%	28.0%	29.4%	30.8%	32.3%	33.9%	35.6%	37.4%	39.2%	41.2%	43.2%	45.3%	47.6%	49.9%	52.4%	54.9%	57.7%	60.5%	63.5%	66.6%	
52			26.0%	27.3%	28.7%	30.1%	31.6%	33.2%	34.9%	36.6%	38.5%	40.4%	42.4%	44.6%	46.8%	49.2%	51.6%	54.2%	56.9%	59.8%	62.8%	65.9%	69.2%		
53		24.8%	26.0%	27.3%	28.7%	30.1%	31.6%	33.2%	34.9%	36.6%	38.5%	40.4%	42.4%	44.6%	46.8%	49.2%	51.6%	54.2%	56.9%	59.8%	62.8%	65.9%			
54	24.6%	25.9%	27.2%	28.6%	30.1%	31.6%	33.2%	34.9%	36.7%	38.5%	40.5%	42.6%	44.7%	47.0%	49.4%	51.9%	54.6%	57.3%	60.2%	63.3%	66.5%				
55	24.6%	25.9%	27.2%	28.6%	30.1%	31.6%	33.2%	34.9%	36.7%	38.5%	40.5%	42.6%	44.7%	47.0%	49.4%	51.9%	54.6%	57.3%	60.2%	63.3%					
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57	26.2%	27.6%	29.0%	30.4%	32.0%	33.6%	35.3%	37.1%	39.0%	41.0%	43.0%	45.2%	47.5%	50.0%	52.5%	55.2%	58.0%	60.9%							
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62	31.1%	32.8%	34.5%	36.4%	38.4%	40.5%	42.7%	45.1%	47.5%	50.1%	52.8%	55.7%	58.8%												
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70	39.1%	41.3%	43.6%	46.1%	48.7%																				
71	41.7%	44.0%	46.5%	49.1%																					
72	41.7%	44.0%	46.5%																						
73	43.3%	45.8%																							
74	43.3%																								

**Maximum Loan to values for joint applicants** – For more details of the maximum LTVs that apply to individual product variants and the associated interest rates, please log in to our Later Life Mortgages portal.

Age	1yr	2yr	3yr	4yr	5yr	6yr	7yr	8yr	9yr	10yr	11yr	12yr	13yr	14yr	15yr	16yr	17yr	18yr	19yr	20yr	21yr	22yr	23yr	24yr	25yr
50					22.5%	23.5%	24.6%	25.8%	27.0%	28.2%	29.5%	30.9%	32.3%	33.8%	35.4%	37.0%	38.7%	40.5%	42.4%	44.3%	46.4%	48.5%	50.8%	53.1%	55.6%
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52			21.8%	22.9%	24.0%	25.1%	26.3%	27.6%	28.9%	30.3%	31.7%	33.3%	34.9%	36.5%	38.3%	40.1%	42.0%	44.1%	46.2%	48.4%	50.7%	53.1%	55.7%		
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Interest rates % – Payment Term Lifetime Mortgage					
Product variant	Black (All Payment Terms)	Pink (All Payment Terms)	Orange (All Payment Terms)	Yellow (All Payment Terms)	Green (All Payment Terms)
Standard	✓	✓	✓	✓	✓
£599 Arrangement fee	✓	✓	✓	✓	✓
Interest Rate	For more details of our products and the associated interest rates, please log in to our <a href="#">Later Life Mortgages portal</a> .				

**For more information**

Visit [legalandgeneral.com/ltm-adviser](https://legalandgeneral.com/ltm-adviser)

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Registered in England and Wales number 04896447.  
Registered office: One Coleman Street, London EC2R 5AA.

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DA1824 04/24

