



Later Life Lending

DUDLEY BUILDING SOCIETY



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Contents



Our Key Points

- No upper age limit across our whole product range
- Understand complex personal circumstances
- Reverse guarantor
- Family lending
- Joint mortgage, sole proprietor
- Multiple income streams accepted



Introduction

The world around us is constantly changing and we believe we need to respond to provide hope for a proportion of the market which otherwise may go underserved.

Some of those changes can be summarised as follows:

- An increasing trend in **life expectancy** - people are living longer and can afford to maintain a mortgage into later life
- Growth in **service based industries** - providing the ability to continue to work beyond traditional retirement age
- Evidence that borrowers are generally **retiring later**
- Increase in self employment
- Increased number of **divorcees**
- **Gender equalisation**
- Mortgages required over longer terms
- First time buyers are getting older
- Flexible working arrangements
- More complex borrowers
- Removal of statutory retirement age
- **Lifestyle choices** e.g. second home, supporting family, house improvement/renovation



Chief Executive's statement

We have spent time understanding the market and the needs of the underserved.



Our move was to scrap upper age limits across our whole range – we didn't feel that older borrowers should have a restricted product range because of their age. We believed decisions should be based on personal creditworthiness; not on a date of birth.

We received an overwhelmingly positive response from both industry commentators and borrowers following the changes we made to our approach to later life lending. Our actions led the way for a new era for this type of lending, giving others within the market the opportunity to follow suit.



“Age is a factor but not a constraint. People who come to us at 70 can be equally (if not more) credit worthy as those in their twenties. Many people in later life have stable incomes, have managed their finances well and are very used to meeting their commitments. There are a different set of risks associated with older borrowers in particular the sudden/unexpected life changes that can occur – but this is why we are advocates of regular advice and planning for anyone that wishes to borrow into later life. This area of the market is good, it's growing, it's underserved – and we are proud that we led the charge.”

Jeremy Wood Chief Executive

Criteria overview



Loan Information	
Repayment Types	Capital & Interest – 90% LTV
	Interest Only – 75% LTV
Minimum Loan Size	£25k
Maximum Loan Size	£1m – affordability assessment will inform individual circumstances
Minimum Term	1 Year
Maximum Term	40 Years

Full product details can be found here

Additional Information required for older borrowers

- Plans in place if one applicant was to predecease the other
- Proof of retirement income when applicant is within 10 years of retirement
- Details of any pension income
- Expectation that borrower has sought legal advice to make suitable arrangements in the case of ill health or vulnerability such as arranging a Power of Attorney

Criteria overview



Applicant Information	
Number of Applicants	Maximum number of applicants is 4
Minimum Age	18
Maximum Age	No Restriction
Income Sources Accepted	Pension, Salary, Annuity, Benefits, BTL Income, Employed & Self Employed Income
Repayment Strategies Accepted	Downsizing, pension, sale of other residential property, cash savings, sale of assets, stocks and shares and endowments

Criteria overview



Fee Information

Adding Fees	Fees are inclusive of LTV
Fee Assisted Legals	Fees are product specific but there are Fee Assisted Legals and Free Valuation Products available in our range

Product range overview

Fixed (Capital & Interest)

Initial Rate	Description	Term	Type	Max LTV	Purchase or Remortgage	Fee	Code
3.54%	Two Year Fixed Rate	2 Years	Fixed	90%	Purchase	£499	10026
3.54%	Two Year Fixed Rate	2 Years	Fixed	90%	Remortgage	£999	10027
2.99%	Three Year Fixed Rate	3 Years	Fixed	80%	Purchase	1.00%	10028
2.99%	Three Year Fixed Rate	3 Years	Fixed	80%	Remortgage	1.25%	10029
3.19%	Five Year Fixed Rate	5 Years	Fixed	80%	Purchase	1.25%	10030
3.19%	Five Year Fixed Rate	5 Years	Fixed	80%	Remortgage	1.35%	10031

Product range overview

Discount (Capital & Interest)

Initial Rate	Description	Term	Type	Max LTV	Purchase or Remortgage	Fee	Code
2.89%	2.10% Three Year Discount	3 Years	Variable	80%	Purchase and Remortgage	£499	13047
2.49%	2.50% Discount for Term		Variable	50%	Purchase	£999	13071
2.49%	2.50% Discount for Term		Variable	50%	Remortgage	1.00%	13072
3.19%	1.80% Discount for Term		Variable	90%	Purchase	1.25%	13073
3.19%	1.80% Discount for Term		Variable	90%	Remortgage	1.25%	13074
3.79%	1.20% Discount for Term- Professionals		Variable	90%	Purchase and Remortgage	1.35%	13087

Product range overview



Variable (Capital & Interest)

Initial Rate	Description	Term	Type	Max LTV	Purchase or Remortgage	Fee	Code
4.99%	Standard Variable Rate with ERC	N/A	Variable	90%	Purchase and Remortgage	None	STD50
4.99%	Standard Variable Rate	N/A	Variable	80%	Purchase and Remortgage	None	STD30

Product range overview

Interest Only

Initial Rate	Description	Term	Type	Max LTV	Purchase or Remortgage	Fee	Code
3.84%	1.15% Discount from SVR (4.99%) interest Only	N/A	Variable	75%	Purchase	0.80%	10377
3.84%	1.15% Discount from SVR (4.99%) interest Only	N/A	Variable	75%	Remortgage	1.00%	13078
3.99%	Three Year Fixed Rate	3 Years	Fixed	75%	Purchase and Remortgage	1.00%	13032

Lending to older borrowers



Case studies

Click on a photo to reveal more information about that particular case study.

These case studies, based on real examples, highlight the benefits of our enlightened approach to Later Life Lending, which typically have a number of common characteristics: Borrower's names have been changed to protect their identity.

- Low Loan to Value loans
- Reliance on pension income
- Strong affordability
- A generation of savers rather than borrowers
- Very creditworthy individuals
- Empowered lifestyle choices
- Lack of flexibility from existing providers
- Complex situations

Contact us



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