



Foster & Cranfield's Equity Release

Everything Explained

How Does Equity Release/ Home Reversion work?

Foster & Cranfield's Equity Release can be referred to as a Home Reversion. A buyer will purchase a percentage of your house; you will receive a lump sum and continue to live there for the rest of your life. When you die the property is sold and the buyer will be entitled to receive the same percentage of your property that they bought, whatever it is then worth.

How much can I release?

You can release as little as 10% or as much as 100%.

Can I continue to live in the property until I die?

Yes.

Is there anything to pay –monthly/annual payments?

No, the lump sum you receive is in exchange for a percentage of your property and there are no additional hidden costs. Any future movements in property prices and mortgage interest rates are the purchasers risk (assuming you sold a 100% interest).

Can I release more equity later on?

Yes, you can.

If I have a mortgage, can I release the equity on my property?

Yes. But the purchaser will insist that you use some of the funds from the release to pay off your existing mortgage.

Can I use the money to buy an Annuity to provide income?

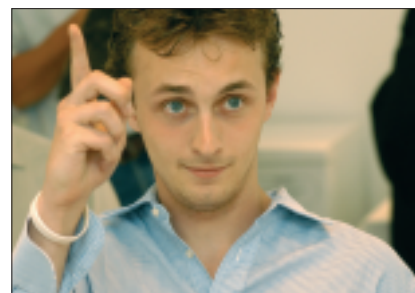
Essentially, you can use the money for whatever purposes you wish.

Does it matter how old I am?

Yes it does. The buyers will estimate how long they will have to wait until they realise the return on their investment and will discount their valuations based on your age. In other words, the older you are the higher the price you can expect.

Do I have to get a valuation of the property?

If you have a recent valuation, it would be helpful to us in providing you with accurate estimates for the equity release. If you decide to proceed with a sale you will be expected to provide an accurate valuation form a reputable firm of surveyors.



Foster & Cranfield was established in 1843 and is the only auctioneer of financial assets in the world. We hold live weekly auctions at our offices at number 25 Britton Street in London EC1 for the general public, market makers and IFAs. Foster & Cranfield are also able to provide valuations for financial assets.

We also value and/or sell

- With-Profit and Whole-of-Life Policies
- Viatical Policies (Policies owned by the terminally ill)
- Life and Reversionary Interests/Trusts
- Income Streams and Other Financial Assets – Royalties, poster hoardings, realisation of interests in connection with divorce settlements etc



Are there any ongoing costs?

Apart from the purchaser's requirements that you maintain and insure the property, there are no ongoing costs such as interest.

Is there a risk of negative equity?

No – you will have sold an interest in your home and will have been paid a lump sum. You will not have a loan against your property.

Do I need professional advice?

Before committing yourself to Equity Release/Home Reversion you should take professional advice; you will, in any event, need to instruct a solicitor to undertake the legal work associated with the sale. They will be able to tell you whether there are other options that you should consider (e.g. local authority grants) and also explain the implications which might possibly arise from releasing capital (e.g. on any means tested benefits you may receive and on your tax position).

We would suggest that you discuss the matter with your family, in particular how the value of your estate and any potential inheritance could be affected.

Can Foster & Cranfield provide me with advice?

Foster & Cranfield do not provide advice on whether the Equity Release/Home Reversion fits your needs. We work on an execution only basis to obtain the highest possible price for the interest you decide to sell. You set a reserve price so the interest in your home is only sold if the bidding reaches your stipulated reserve.

What paperwork is involved?

Your relationship with the person who buys the interest in your house will be governed by the legal deed drawn up by your own solicitors. This will cover, for example, your obligations to keep the house insured and maintained, and what would happen if you want to move home or into care. The purchasers will require that you use some of the money that you raise to repay any existing mortgage that you may have left.

What expenses are involved?

Foster & Cranfield receive commission on the successful completion of the sale, but make no charges beforehand. Our commission is 5% of the first £10,000 raised and 2.5% of the excess over £10,000. You will also, of course, have to pay for the advice you receive from other people (e.g. your solicitor).



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ESTABLISHED 1843

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