

Equity Release – Early Repayment Charges

Date issued: Tuesday 15 August 2017	Applicable to: Gilts/ Early Repayment Charges	Contact: Aviva Equity Release Consultant
Live date: Monday 4 September 2017		

Headlines

From Monday 4 September 2017 as part of a regular review we will be refreshing our early repayment charges (ERCs).

Background

From Monday 4 September 2017 gilts used on both the Lifestyle Lump Sum Max and Lifestyle Flexible Option, for new business, reserve releases and additional borrowing will change. The levels of ERCs payable for customers will change, however the cap of 25% of the loan will remain. Gilts for additional borrowing or reserve releases under closed (for new business) Aviva contracts will also change.

Details of the current gilts and those which will be used from Monday 4 September 2017 are attached.

New Business Key Features Illustrations (KFI)

- All new business and additional borrowing KFIs issued from Monday 4 September will be subject to the new gilts table
- All new business and additional borrowing KFIs issued before Monday 4 September will be subject to the current gilts table

How will current and new gilts be applied?

Subject to current gilts (pre Monday 4 September)

Where Aviva has issued a lifetime mortgage offer before Monday 4 September, and the offer is accepted and completed within 14 weeks (from application received date)

Subject to new gilts (post Monday 4 September)

Applications that have been received by Aviva where we have been unable to issue an offer before Monday 4 September due to outstanding information, the offer will be issued on the Flex Tool output sheet received and based on new gilts. Financial advisers will be informed the offer is subject to new gilts via email.

Expired cases

- Offers which have expired and due to expire before Monday 4 September will be re-offered (if required) providing all our requirements have been met. For example, we would need confirmation from the adviser to proceed and all outstanding requirements have been received by Aviva before Monday 4 September
- Offers that expire from Monday 4 September will be re-offered at the point of expiry to bring them in-line with new gilts and will be based on the interest rates applicable at the time.

Gilt Tables

Gilt table pre Monday 4 September 2017:

Single Borrowers		Joint Borrowers	
Age of youngest borrower	Gilt Applicable	Age of youngest borrower	Gilt Applicable
55-59	4.25% Treasury 2055	55-59	4.25% Treasury 2055
60-64	4.25% Treasury 2046	60-64	4.25% Treasury 2055
65-69	4.25% Treasury 2032	65-69	4.5% Treasury 2042
70-74	6% Treasury 2028	70-74	4.25% Treasury 2032
75-79	8% Treasury 2021	75-79	5% Treasury 2025
80-84	8.75% Treasury 2017	80-84	5% Treasury 2018
85+	8.75% Treasury 2017	85+	8.75% Treasury 2017

Gilt table post Monday 4 September 2017:

Single Borrowers		Joint Borrowers	
Age of youngest borrower	Gilt Applicable	Age of youngest borrower	Gilt Applicable
55-59	4.75% Treasury 2052	55-59	1.75% Treasury 2057
60-64	1.5% Treasury 2047	60-64	3.75% Treasury 2052
65-69	4.75% Treasury 2038	65-69	3.25% Treasury 2044
70-74	4.5% Treasury 2034	70-74	4.75% Treasury 2038
75-79	4.75% Treasury 2030	75-79	4.5% Treasury 2034
80-84	2% Treasury 2025	80-84	6% Treasury 2028
85+	0.5% Treasury 2022	85+	2% Treasury 2025