

Shared Growth Option



Here's to a happy and active retirement

With the Hodge Lifetime Shared Growth Option, an agreed percentage of your property is sold to Hodge Lifetime, in return for a tax-free cash sum. You are free to spend this cash in any way you wish.

This Home Reversion Plan guarantees your right to occupation for life, so you can enjoy living in your home, rent free, for as long as you wish.

Who can benefit from the Shared Growth Option?

- 1) A Shared Growth Option plan can be arranged for either one or two people, who own and live permanently in their own home, which is in England, Scotland or Wales – plans are also available to couples, sisters, friends etc who hold their title in joint names
- 2) Applicants must be at least 65 years of age
- 3) The property must be in sound condition, of standard construction, and worth at least £60,000
- 4) Leasehold properties are not acceptable
- 5) Between 30% and 90% of the property value may be used for the plan
- 6) If there is an outstanding mortgage or charge, it must be low enough to be repaid from the cash sum expected at completion, unless cleared earlier from other funds

Commercial property, flats, sheltered/retirement housing, park homes and non traditional concrete/steel framed dwellings are not acceptable. Please ask for advice if you are unsure about property eligibility.

How much cash can be released?

This will depend on your age(s), your property value and the percentage of ownership you wish to transfer. The older you are the higher the benefit you will receive from the percentage transferred. We will be happy to let your advisers have a personalised illustration.

Could further cash sums be released?

You may apply to release a further cash sum at any time, providing you have not already sold the maximum percentage of 90% either in a single transaction or a succession of transactions. At this time, we will also take into account:

- Whether the property has been satisfactorily maintained
- The lending criteria at the time of application

A surveyor will re-value the property at your expense, and a further proportion of the equity will be transferred to fund the extra cash payment. You will be responsible for all your legal fees and costs.



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What about moving house?

- You will be free to transfer your home reversion plan to a new home of your choice, as long as it meets the criteria, and provides adequate security for the plan
- If when you move, the new property's value is lower than the original, Hodge Lifetime's percentage ownership would not change and you will receive your appropriate share of the surplus made on the sale
- If the new property's value is higher, you must be able to find an additional amount from your own funds – Hodge Lifetime's percentage ownership will be reduced as appropriate
- You will be responsible for any costs related to the transfer, including all Solicitors' fees for work, even if the move falls through

What would happen to the plan on marriage (or re-marriage) in the future?

If a single plan holder marries, it may be possible to revise the terms of the plan to give the new partner a right of occupation. The new occupant will need to meet the age requirement for the plan and, if younger than the plan holder, a re-calculation of the home reversion plan will be necessary which may result in a partial repayment being required. This will be calculated by taking into account the percentage of equity already released at any time.

If a right of occupation was not required, the new partner would have to sign an agreement to vacate should the plan holder die or move out permanently. The plan holder would be responsible for legal fees incurred in either of the above events.

What happens when the property is vacated, or I die?

You must advise us in writing if you anticipate leaving your property unattended for an extended period on any occasion. If you wish to go on a long-stay holiday, or need a term of hospital care, for example, we will need to be aware of the expected length of your absence. We will also ask for your assurance that the property will be adequately protected, insured and secured during that period.

When you vacate the property, for example to move out permanently with relatives, or into a residential care home, or you die, your house should be cleared so that it can be formally released to Hodge Lifetime. We will arrange marketing, and our Solicitors will handle the sale, by liaising with your, or your estate's Solicitors. The selling price will be mutually agreed and our Solicitors will make sure that the proceeds are correctly divided when received.



Summary of current charges

Application fee:

We do not charge an application fee. The set up costs are included in the offer made to you.

Valuation fees:

At application stage, you will be asked to pay a fee towards a Report and Valuation in respect of your property. The amount you have to pay for this depends on the value of your property at the time of application. Please ask us for a copy of our current fee scales.

Costs for re-valuation in respect of any future releases will also be your responsibility.

Once a Report and Valuation has been completed, there will be no refund of the above fee, even if the application is not completed.

Legal fees:

Legal fees and costs charged by your Solicitor are your responsibility even if the plan does not complete for any reason.

Other costs:

If it should be necessary for Hodge Lifetime to take over the sale of the property due to any breach of the terms of the plan, any costs involved will be charged to the plan holder.

Other considerations:

The future value of your estate will be reduced by Hodge Lifetime's agreed share of the proceeds when the property is eventually sold. *We will be entitled to this share of your estate even if you die during the early years of the plan.*

We strongly recommend that you discuss your intention with your family or any beneficiaries whose inheritance may be affected if you take out a plan.



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Shared Growth Option example

The example below gives you details of how the Shared Growth Option operates and is for illustration purposes only:

Today	In ten years time
Property value – £100,000 Ages: Male 75, Female 75 Transferring 50% of the property will produce a lump sum of £23,872 The lump sum can be used for any purpose	If the plan holders were to die in 10 years time the following payments would be due. Estimated Property Value £128,000* Payment to Hodge Lifetime (50% reversionary interest) £64,000 Payment to next of kin £64,000 *Assuming house prices grow by 2.5% per year

This is a Home Reversion Plan. To understand the features and risks, ask for a personalised illustration.

Property values

Clients will benefit or otherwise from any future changes in the value of the percentage they still own.

Past performance of property prices should not be taken as guide to the future. In addition, regional house price variations should be considered.

Risk factors

Property valuation is a matter of judgement by a qualified surveyor. Entitlement to any benefits you receive, such as Income Support or Council Tax Rebate may be affected by taking out this plan.

Your commitment:

- A property valuation will be carried out on your home at your expense
- With this scheme you will be responsible for your legal fees and charges
- You will be responsible for insuring and maintaining the property in a good state of repair
- Hodge Lifetime must agree any plans you may have to make structural alterations to your property before changes are made
- No-one else should live at the property except for the plan holder(s) but special consideration may be given in certain circumstances – you must advise us in advance if you anticipate anyone moving in with you
- You must advise Hodge Lifetime in writing if you anticipate leaving your property unattended on any occasion, for an extended period, (eg. long-stay holiday or a term of hospital care)
- You should view your participation in this scheme as long-term
- If you enter into this plan you will not be able to use your home as security to raise further funds

Find out more about Hodge Lifetime or any of our products by calling:

Freephone 0800 731 4076

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Hodge Lifetime is a trading name of Julian Hodge Bank Limited (Registered in England No. 743437) and Hodge Life Assurance Company Limited (Registered in England No. 837457) which are authorised and regulated by the Financial Services Authority.

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