

**Ed, age 60****Daisy, age 60****Working Income**
£60,000**Buy to Let Rental Income**
£30,000**Private Pension**
£30,000**Working Income**
£30,000**Private Pension**
£15,000**Life Cover Each: £80,000****Outstanding Mortgage: £350,000****Property Value: £575,000**

*If you sell your property and repay your loan in full, you won't pay an Early Repayment Charge.

Ed and Daisy's current interest only mortgage with a high street lender is due to mature, the lender has asked them to repay in full. Initially they had planned to sell up and use some of the money from the sale to repay their existing mortgage, but even though their family home is a 4 bedroom, with plenty of equity to downsize, they're just not quite ready to sell. They want to continue to have enough space to welcome their now grown up children back home to stay anytime and they still feel the house is of a manageable size for them, most importantly it still feels like home.

They want to keep paying a mortgage, and avoid being tied to a repayment date, because even though they're not ready to sell just yet, they don't know if or when they might be.

Ed and Daisy own a number of BTL properties which generate a healthy rental yield, this is part of how they plan to maintain their income into retirement.

They would like to continue paying interest only to keep payments as low as possible, while maintaining the equity in the property.

The RIO mortgage is subject to a regulatory requirement to apply a calculation designed to make sure the mortgage is affordable for just one borrower should the other pass away, known as death stress. Both Ed and Daisy have £80,000 in life cover, as well as substantial rental income. If one of them were to pass away, they could use these funds to reduce the mortgage debt, something our experienced underwriters take into account when considering applications.

Given our flexibility, we can offer higher loan to income ratios, so for clients like Ed and Daisy looking to replace their current mortgage on a 'like for like' basis with the opportunity to fix

payments, they chose us, a 'forward thinking' lender who could accommodate their wants and needs.

Ed and Daisy were also impressed by the option to overpay 10% yearly, added to that, the Early Repayment Promise which allows them to pay off the loan in full without incurring early repayment charges if they chose to sell made for an attractive package.

Our flexible approach to underwriting complimented Ed and Daisy's intelligent planning for their later life and we were able to offer a RIO Mortgage, which with no fixed end date enables Ed and Daisy to stay in their family home until they are ready to downsize, and with no specified end date it also means they don't need to commit to another fixed maturity date.

The combination of no end date for their RIO along with the ability to downsize at anytime with no early repayment charges really put Ed & Daisy in control of their future, bringing them much needed piece of mind and most importantly allowing them to continue to live in their much loved family home.

For more information, speak to our team direct:

**0800 138 9109****lendingsupport@hodge.co.uk****hodgebank.co.uk/intermediaries**

This is a hypothetical example. It's not an indication of likely or possible benefits or what we think will happen in the future. It's not advice of a recommendation from us.

RIO

has increased from

27%^{YTD} to **37%**^{YTD}

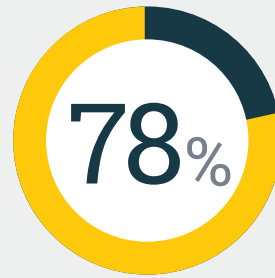
of total lending in our
Later Life range

June 2018 – September 2019

£133k
average loan size



5 Year is the **most popular product** (YTD)



78% of customers are re-mortgaging of these:



34% are raising **no additional capital**



20% for **debt consolidation**



12% for **family gifts**



8% for **home improvements**

69 YEARS
average **customer age**
at application



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