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Equity release:

a way of releasing money from your home



➤ **Factsheet 19.**



THE ROYAL BOROUGH OF
KENSINGTON
AND CHELSEA

What is it?

Equity release is a way that homeowners in later life can release money from their homes without having to move. You can use the money however you choose to, for example to pay for repairs to your home, to pay for care or for a little extra help around the home.

Who is eligible?

For most types of equity release, you usually need to:

- be at least 55 years old
- have paid off your mortgage
- own a property in reasonable condition.

If you are a leaseholder rather than a freeholder, you normally need to have at least 70 years left on your lease to be considered for equity release.

How it works

There are lots of different equity release products available, but they all work on the same principles: the provider of the equity release product lends you a part of your home's value in return for a share of the proceeds when you die (or with some products, when you move into a care home) or you sell your home, or part of it. You continue to live in your home until you die (or move into a care home).

Equity release products are regulated by the Financial Services Authority (FSA). If you consider an equity release product, make sure it is FSA approved and regulated.

How to find out more

Equity release is a big decision and you should get specialist independent financial and legal advice before signing up for an equity release product.

Safe Home Income Plans (SHIP) is the trade association for most providers of equity release schemes, which must comply with a code of conduct. It can provide you with a list of members and free written information about equity release. Call **0844 669 7085** or visit: **www.ship-ltd.org**.

For more information, you can also contact:

Kensington and Chelsea Citizen's Advice Bureau on **0844 826 9708**

Age UK Kensington and Chelsea on **020 8969 9105**

Information from this document can be made available in alternative formats and in different languages. Please contact Housingline on **020 7361 3008** or email **housing@rbkc.gov.uk**





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