

moving your lifetime mortgage to a new property

Your portable mortgage

GODIVA
mortgages

What is a portable mortgage?

A portable mortgage is one that may be taken with you when you move home and gives you the reassurance of keeping your current mortgage rate and terms.

Contact us when you are ready to move and we will guide you through the application process. We will advise whether you can move your mortgage, if you need to make a capital repayment or if additional borrowing is available. We will also confirm what fees are payable when moving your Lifetime Mortgage to a new property.

Essential considerations

When you apply, we will explain the considerations that are relevant to your move.

To move home, you need to have sufficient equity remaining in your property. Equity is the difference between your outstanding mortgage balance, including rolled-up interest, and the value of your property. There may be insufficient equity, either because of the amount of interest that has rolled-up or due to a low current sale price for your home. However, you may still be able to move if you are able to repay some of the capital and rolled-up interest.

You may be able to take all or some of your portable mortgage with you to your new property, and you may be able to arrange further borrowing, subject to our lending criteria. In addition to the equity in your current home, we will need to consider your age when you apply to move and the value of the property you wish to purchase.

Please note, some types of property are not acceptable to us. As a consequence, it may not always be possible to move your Lifetime Mortgage.

Bigger mortgage

If you require further funds to help you purchase your new property, we will review your situation at the time you apply and let you know how much extra borrowing we can arrange for you. This will depend on your age when you apply and the value of the property you wish to purchase. We will also advise you if any fees are payable to arrange the additional borrowing and whether you can obtain a refund of any early repayment charges if applicable.

Example of moving to a higher priced property

A Lifetime Mortgage of £50,000 was taken at age 60 against a property valued at £250,000.

The property is sold after 10 years, when the borrower is aged 70, for £300,000. At the time of selling this property, the outstanding Lifetime Mortgage, plus rolled-up interest, is £95,000.

If at this time, our lending criteria entitles a borrower aged 70 to a loan at 30% of property value and this borrower would like to purchase a property valued at £500,000, they would be able to borrow up to £150,000.

This means that to purchase their new property, they could transfer the balance of their Lifetime Mortgage and borrow an additional £55,000.

Smaller mortgage

If your new property is a lower purchase price than your existing property, you may be required to repay some of the capital and rolled-up interest. We will advise you if this is the case and if any fees are payable.

Example of moving to a lower priced property

A Lifetime Mortgage of £50,000 was taken at age 60 against a property valued at £250,000.

The property is sold after 10 years, when the borrower is aged 70, for £300,000. At the time of selling this property, the outstanding Lifetime Mortgage, plus rolled-up interest, is £95,000.

If at this time, our lending criteria entitles a borrower aged 70 to a loan at 30% of property value and this borrower would like to purchase a property valued at £200,000, they would be able to transfer £60,000 of their Lifetime Mortgage to purchase their new property.

In this instance, the borrower would be required to repay the £35,000 (which is the difference between the Lifetime Mortgage with interest balance and the new loan entitlement) from the sale proceeds of the first property.

Lifetime Mortgage portability terms and conditions

The following terms and conditions apply to Lifetime Mortgage portability:

- The amount that can be borrowed on the new property will be based on your age and the value of the property you wish to purchase.
- If the amount that can be borrowed on the new property is lower than the balance of your existing Lifetime Mortgage, including rolled-up interest, the difference must be repaid to Godiva Mortgages. If you have a further advance or an additional drawdown has been taken, the amount at the highest interest rate will be repaid first.
- If you raise additional funds but do not transfer the full mortgage balance and rolled-up interest, any early repayment charges will be payable and are non-refundable.
- You may receive a refund of any early repayment charges if the purchase is completed on a working day within six months of the Lifetime Mortgage redemption date.
- Any costs relating to the sale of your current property or purchase of your new property remain your responsibility.
- Our lending criteria apply.
- We reserve the right to amend or vary these terms and conditions at any time.

This is a lifetime mortgage. To understand the features and risks, ask for a personalised illustration.

This information must be read in conjunction with the appropriate mortgage product sheet.

The information in this leaflet is provided for your information only. Legally binding terms and conditions can be found in your specific mortgage product terms and conditions. For specific guidance please speak to an advisor.

Lines open Monday to Friday 8am-8pm, Saturday 9am-5pm, Sunday 10am-4pm. Contact your service provider for details of charges, as call costs may vary. To maintain a quality service, calls made to and from Godiva Mortgages Ltd may be monitored and recorded. Information correct at the time of going to print (September 2011).

For further details, call our
Customer Service Centre on

0845 1212567

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Registered Office: Oakfield House, Binley Business Park, Harry Weston Road, Coventry CV3 2TQ.