

COVID-19 product changes

Lifetime Mortgage (Flexible & Optional Payment)

This product is proceeding with desktop valuations but to help manage the extra risks some changes are required.

This document sets out the details of recent changes made to this product and the relevant pipeline/cut-over procedures. Some of these changes relate specifically to the desktop valuation process but others may be permanent changes that will still apply when physical valuations re-start. Where changes are permanent, they will be clearly highlighted as such.

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Rate changes

To be available 00:01 on 6th April:

STANDARD (FLEXIBLE & OPTIONAL PAYMENT)

| | Premier BLACK | PINK | ORANGE | YELLOW | GREEN | TURQUIJUSE | TEAL | BLUE | NAVY | INDIGO |
|-----|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| MER | 2.93% | 2.98% | 3.08% | 3.24% | 3.28% | 3.34% | 3.64% | 3.98% | 4.34% | 4.86% |
| AER | 2.97% | 3.02% | 3.12% | 3.29% | 3.33% | 3.39% | 3.70% | 4.05% | 4.43% | 4.97% |
| LTV | 8.0% † 38.0% | 11.5% † 41.5% | 13.0% † 43.0% | 16.0% † 47.0% | 19.0% † 49.0% | 20.0% † 50.0% | 21.4% † 50.8% | 22.7% † 51.5% | 24.1% † 52.4% | 25.3% † 53.5% |

2% CASH BACK (FLEXIBLE & OPTIONAL PAYMENT)

| | Premier BLACK | PINK | ORANGE | YELLOW | GREEN | TURQUIJUSE | TEAL | BLUE | NAVY | INDIGO |
|-----|---------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| MER | N/A | 3.17% | 3.27% | 3.44% | 3.47% | 3.53% | 3.83% | 4.17% | 4.53% | 5.05% |
| AER | N/A | 3.22% | 3.32% | 3.49% | 3.53% | 3.59% | 3.90% | 4.25% | 4.63% | 5.17% |
| LTV | N/A | 11.5% † 41.5% | 13.0% † 43.0% | 16.0% † 47.0% | 19.0% † 49.0% | 20.0% † 50.0% | 21.4% † 50.8% | 22.7% † 51.5% | 24.1% † 52.4% | 25.3% † 53.5% |

£599 ARRANGEMENT FEE (FLEXIBLE & OPTIONAL PAYMENT)

| | Premier BLACK | PINK | ORANGE | YELLOW | GREEN | TURQUIJUSE | TEAL | BLUE | NAVY | INDIGO |
|-----|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| MER | 2.89% | 2.94% | 3.04% | 3.20% | 3.24% | 3.30% | 3.60% | 3.94% | 4.30% | 4.82% |
| AER | 2.93% | 2.98% | 3.08% | 3.25% | 3.29% | 3.35% | 3.66% | 4.01% | 4.39% | 4.93% |
| LTV | 8.0% † 38.0% | 11.5% † 41.5% | 13.0% † 43.0% | 16.0% † 47.0% | 19.0% † 49.0% | 20.0% † 50.0% | 21.4% † 50.8% | 22.7% † 51.5% | 24.1% † 52.4% | 25.3% † 53.5% |

Product Changes

The Violet range has been withdrawn.

Lending Criteria Changes

There are no changes to product lending criteria.

Desktop Valuations

A desktop valuation will allow cases to move to offer and then completion.

Because a desktop valuation is less accurate than a valuer visiting a property, L&G will use **95% of the desktop valuation** when they calculate the amount they can lend.

Desktop valuations are not available on the following properties so will not be able to progress:

- Properties valued above £2m
- Properties valued under £105,264
- New build properties (up to 2 years old or being occupied for the first time)
- Flats and maisonettes
- Purchase applications
- Annexes
- Any listed buildings (Grade 2 E&W and Grade C Scotland now excluded)
- Properties with land exceeding 5 acres
- Age restricted, sheltered accommodation or retirement villages
- Properties originally built with a flat roof
- Properties with extension exceeding 50% of the total floor area
- Properties in poor state of repair
- Bed and Breakfast
- Solar panels

Full criteria here <https://www.legalandgeneral.com/adviser/files/retirement/literature-and-forms/miscellaneous/Q0052420.pdf>



A full valuation is required on all properties when practical to do so but the outcome of this valuation will not affect the customer.

Applicants will need to sign a declaration at Offer stage to declare they are not aware of any issues that may affect the valuation and there are no essential repairs required to their property.

Retention

There are no retentions. Instead the property value used to calculate LTVs will be 95% of the value determined in the desktop valuation.

For example if a property is valued at £200,000 then the product selection should be based on a value of £190,000.

Commission

Commission will be paid as normal.

Further Advances

Not known.

Pipeline Rules

If an advisor changes the L&G product recommended, L&G we will be honouring the rates applicable at the time of the original application. This will also be extended to cases where a customer requires the Violet product, even though the product has since been withdrawn from new business sale.

If a property is not suitable for a desktop valuation, the application will be closed and a new application may be made once physical valuations are possible again.