

Divorce: Using Equity Release To Simplify The Asset-Splitting Process In Divorce

Claire & George Ravenclaw / Divorced / Both aged 73 / Retired

Current house value: £375,000

Requires: £140,000

Maximum loan-to-value: 39% for a single applicant, lump sum



Claire's Story

Divorce in later life can significantly impact personal finances - especially for women, who are statistically known to have lower savings and pension investments. Splitting assets and wealth can be stressful during divorce, with many parties involved.

Claire wishes to stay in the marital home, and her ex-husband, George has agreed to move out and buy a new home. They have agreed on splitting the value of the home 50:50 and have a joint savings account containing £100,000.

Using Equity Release To Split Assets

There are three solicitors involved in the transaction, the two divorce lawyers and the specialist equity release solicitor. With the increased legal costs, Claire opts to use some of the equity released to pay the legal fees. George agrees to a settlement of £187,500, and Claire accesses £140,000 through a lifetime mortgage at a loan-to-value of 39%. She uses her 50% of the joint savings to pay George the remainder of the balance.

Claire can remain in the property, and George can now access his own financial options and buy himself a property.

Claire is advised to take a **Pure Retirement Classic lifetime mortgage**.

Claire submits a single application and releases 39% of her property's value.

She releases a lump sum of £140,000. George receives £97,500 of the shared savings as part of the settlement.

Managing Her Lifetime Mortgage with MyPure

Claire can manage her lifetime mortgage online through the account management platform, MyPure. She can make one-off optional repayments, view her balance and recent transactions, and submit any queries she has directly to Pure Retirement to receive support along her lifetime mortgage journey.

Specific to Pure Retirement Classic lifetime mortgage. Examples of customer scenarios only. Every case will be different. Scenario based on March 2024 figures.

Thinking About Equity Release?

Pure Retirement is a specialist lifetime mortgage provider regulated by the Financial Conduct Authority and a member of the Equity Release Council. It is important to consider all options before you apply for equity release.

Pure Lifetime Mortgage Features

Guaranteed no negative equity

Optional monthly repayments

Client retains ownership of the property

Regulated by the FCA and member of the Equity Release Council

Things To Consider

Downsizing and other forms of finance should be considered

Compound interest roll-up

Early repayment charges

Long-term care and state benefits considerations

A lifetime mortgage may impact the inheritance you leave



Figures used are for illustrative purposes only and show an example of Pure Retirements Lifetime Mortgages and how they have been previously used.



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