

# Your Guide to Repaying a Lifetime Mortgage



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## Frequently Asked Questions

**One account holder on the mortgage has died/moved into long term care, will anything change?**

No, please be assured that with joint mortgages there are no changes to the Terms and Conditions and the remaining account holder can live in the property for the rest of their life. We don't require repayment of the mortgage at this time. (You can still continue to make voluntary payments if this facility is available on your mortgage and you wish to do so).

We do however require a copy of the death certificate or a letter confirming they are now in permanent long term care. This can be from their doctor or their care home and needs to be on letterheaded paper.

**The mortgage will need to be repaid by any means but is usually done by selling the property and using the proceeds to clear the outstanding balance.**

**What does my estate/executor(s)/solicitor need to do if I move into permanent long term care or pass away?**

They need to inform us of any changes of occupancy as soon as possible and provide the following documents:

- Will or grant of probate (in the case of death)
- Death certificate

Or

- Letters of administration (usually obtained when the customer dies without leaving a will)
- Power of attorney (in the case of long term care) with proof of I.D.\*
- Court of protection deputyship (this gives said person the ability to sell the property on behalf of the customer)

Once these documents are received, we will be able to fully discuss all account-specific information and guide them through the process of repaying the mortgage as smoothly as possible.

We are happy to accept uncertified copies of the documents and these can be posted to our offices or emailed to – [propertymanagement@pureretirement.co.uk](mailto:propertymanagement@pureretirement.co.uk)

\*For proof of ID we would accept the following:

- Passport
- Photo Driving Licence
- Other government issued documents with photograph

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We would also require proof of your address, such as:

- Utility bill dated within the last three months
- Bank statement dated within the last three months (internet printed bank statements are not acceptable)

**How long does my estate have to sell the property to repay the mortgage?**

The usual period we allow is up to 12 months, as long as we can see evidence that we are being kept informed of the progress of the intention to redeem.

**I have a family member/friend living with me, would they have to move out straight away if I move into long term care or pass away?**

No, we don't require any additional occupiers to move out immediately but we do recommend they start to look for alternative accommodation as soon as possible.

**Can my family member/beneficiaries keep the property?**

Yes, this is entirely possible. The existing mortgage would need to be paid off in full, and they can do this by either using their own funds or by taking their own mortgage on the property. We would need to speak to the purchaser to explain the process and our requirements to them, and would ask them to call our Property Management Team to discuss this further.

**Can the mortgage be transferred to a family member or friend?**

No. They would have to take out their own mortgage or use their own funds to clear the existing mortgage.

**Will interest accrue after I have moved into permanent long term care or have passed away?**

Yes, as per the original terms and conditions, interest will accrue until the mortgage is redeemed.

**Do my estate/executors/solicitors have to sell the property or will Pure Retirement handle the sale?**

In most cases your estate will initially have the choice as to whether they choose to handle the sale or it may be possible for them to choose our 'Voluntary Surrender' option.

Our 'Voluntary Surrender' option (where available) can help reduce stress at what is likely to be a difficult time for your family. Please see page 6 for more information.

**If we can be made aware of the solicitors acting on behalf of you/your estate as soon as possible, we can provide details directly to them.**

**Can my estate choose which estate agents they use if they choose to handle the sale themselves?**

Yes they can. All we would ask is that the property is marketed in line with the estate agent's recommendations.

If the recommended sale price is below the outstanding balance on the mortgage, the account will fall into negative equity. In these cases we require:

- Breakdown of solicitors costs - directly from the solicitor
- Estate agents costs - directly from the estate agents
- Marketing pack produced by the estate agents

**What happens if the outstanding balance on the mortgage is higher than the sale price of the property?**

Providing we have received either:

- Death certificate
- Letter from the long term care provider

Our negative equity guarantee will apply, meaning no outstanding debt will be passed on to the estate.

**Pure Retirement will consider an amount less than what is owed to redeem the mortgage account as long as the property is sold at market value and the Estate will not be liable for the remaining balance. Pure Retirement will discharge any interest in the property.**

**Can my estate accept an offer without consulting you if the account is in negative equity?**

No, in these cases we would need to see the estate agent's recommendation as to why they think the offer should be accepted before we can agree to this, and therefore any offer made must be referred to us before it is accepted.

**Are there any Early Repayment Charges due upon entering long term care or passing away?**

As either of the above scenarios are the natural end to the mortgage, as per the original terms and conditions, no early repayment charges would apply. This is subject to receiving either of the following documents:

- Death certificate
- Letter from the long term care provider

**Who is responsible for the bills/utilities while the property is being sold?**

The estate continues to be responsible for all associated bills with the property until the mortgage is redeemed or is in our possession.

**Does the property need to remain insured once empty?**

Yes, we require buildings insurance to be left in place until the mortgage is redeemed. We recommend that the insurance company concerned is notified if the property is unoccupied as they may not honour any claims if they were unaware of this or may wish to impose special terms.

## Key milestones in your journey

### **What is voluntary surrender?**

Voluntary surrender is designed to remove stress from your family at a difficult time.

Your estate may be able to choose this option, whereby they hand over the property to Pure Retirement to handle the sale on their behalf. In this case we require a key to be sent to us along with a signed voluntary declaration form and some means of identification, and we will then work as quickly as possible to take the property into our possession and begin to market the property.

Once the property is taken into our possession, our instructed agents will change the locks, and drain down all the utilities and secure the premises.

### **If the property sells for more than the outstanding balance on the mortgage, will my estate lose out?**

No, any remaining funds after deduction of costs such as estate agent & solicitor fees, will be returned to the appropriate parties involved in the voluntary surrender process.

### **Will you market the property for a lower price if the Voluntary Surrender option is chosen?**

No, Pure Retirement will work with estate agents to ensure the property is marketed at a realistic price.

### **Does the property need to be emptied of contents before Voluntary Surrender can take place?**

Where possible we would advise this is done as it is in the best interest of any beneficiaries. We can arrange for a house clearance firm to remove all items from the property, however, the cost of this would be deducted from any monies owing to the estate after the sale has completed. The more items in the property, the higher the cost, and a set of sample charges is available on request by calling the telephone number on the accompanying letter or emailing us at [propertymanagement@pureretirement.co.uk](mailto:propertymanagement@pureretirement.co.uk)

Any costs associated with Pure Retirement taking voluntary possession of the property will accrue interest in line with the agreed terms and conditions until the property is sold and the mortgage account is redeemed.

**With Voluntary Surrender, the estate continues to be responsible for all associated bills with the property until we have confirmed the property is in our possession.**

We have designed this document to provide support for our customers and their families, executors of the will or solicitors dealing with their estate. Dealing with the death of a loved one - or seeing them go into permanent long term care - can be a difficult time, and we understand you may have lots of questions regarding the lifetime mortgage and what needs to happen now. We have provided the answers to our most frequently asked questions, however our friendly Property Management Team are on hand to provide any additional support and guide you along the way to repaying the mortgage as smoothly as possible.

#### Useful advice bodies for dealing with property matters:

- [citizensadvice.org.uk](https://citizensadvice.org.uk)  
Adviceline (England): 0800 144 8848  
Advicelink (Wales): 0800 702 2020
- [shelter.org.uk](https://shelter.org.uk)  
Tel: 0808 800 4444
- GOV.UK website  
Tel: 030 3444 0000

#### Useful websites for support when coping with a bereavement:

- [www.nhs.uk](https://www.nhs.uk)
- [www.mind.org.uk](https://www.mind.org.uk)
- [thesamaritans.org](https://thesamaritans.org)



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Company registered in England and Wales No. 7240896.

Pure Retirement Limited, 2200 Century Way,  
Thorpe Park, Leeds, LS15 8ZB.

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