

Buckinghamshire Building Society: Supporting Later Life lending



Buckinghamshire Building Society is proud to be a long-term supporter of retired borrowers, and offers a range of solutions designed to meet the growing needs of this expanding market. All our retirement mortgages come with no maximum age at entry or exit and with terms of up to 40 years.

Whether your client is re-mortgaging for home improvements, life's little extras, to help family members or simply wants to move home, Buckinghamshire Building Society is here to help.

Our basic retirement mortgages are available on an interest only, repayment or split repayment basis to suits the borrower's needs and future income changes. Loans are available from £25,000 to £1M.

Lending Scenario:

Mr A, aged 83, has come to the end of the term on his interest only mortgage and his existing lender has refused to extend the term. He has a pension income of £51,000 and requires a mortgage of £83,000 on a property worth £265,000.

Buckinghamshire Building Society Solution:

The Society was happy to grant this mortgage on an interest only basis over 40 year term to take him to age 123.

A positive outcome for the borrower:

This arrangement has given Mr A peace of mind that he could remain in his home for as long as he wished without any concerns about extending his term at a later date.

Retirement Interest Only (RIO)

RIO loans are available on interest only with a nominal term of 40 years, which can be renewed at the end of the mortgage term. The loan is designed to be repaid from the proceeds of the sale of the property, following a lifetime event including death of the last borrower, or moving into care on a permanent basis. If the mortgage is held on a joint basis, both borrowers must be able to afford the mortgage in their own right, using their income and any inherited income from their partner.

This is a good low cost solution for some borrowers, who do not wish to repay the capital sum outstanding on their mortgage, especially if their estate might be subject to an inheritance tax liability.

As well as a range of flexible lending options, the Society will also consider loans on certain age-restricted properties up to 50% LTV.

Our most common later life lending question answered

To highlight our support on these Later Life products, Mark Edwards, Underwriting Manager at Buckinghamshire Building Society has given insight into frequent broker conversation -

Broker: "I feel a bit uncomfortable arranging a mortgage where the borrower will be 110 years old at the end of the term"

“That is a natural reaction, however, at Buckinghamshire Building Society we believe that the longer term gives the customer peace of mind that they can stay in their home for life. It also means that we do not run into problems re-negotiating the term of the loan at a later date when the customer may have physical or mental health issues to contend with. It also allows the customer the freedom to stay in their home, downsize when they chose to or even look at other options that may be more appropriate for them in the future including equity release”.

To find out more about our Later Life range click [here](#) or call our underwriting team on 01494 879500.

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