



Funding care in later life with a lifetime mortgage

by Georgina Oxton, LV= Equity Release Divisional Manager

As we age, many of us will find that maintaining our independence requires a little extra support at home. Financial solutions like lifetime mortgages can help enable those that require care and assistance to continue to enjoy their retirement from the comfort of their own home.

Our LV= Wealth and Wellbeing research revealed that almost

1 in 5

(19%) worry about accessing the medical treatment they might need.



As we age, we can become more prone to health concerns, so unsurprisingly more than twice the number of Baby Boomers are worried about accessing medical treatment than Gen Z (22% verses 10%). Those with pre-existing health conditions are especially apprehensive about their access to treatment, with 30% worrying about this in the three months leading up to June 2024.

The recent Autumn Budget announcement may also have raised some concerns about funding for the healthcare sector. While the NHS continues to face challenges, providers have warned that the government-announced tax rises and higher staffing costs could force some care homes to close. Though the sector welcomed an extra £600 million in funding for local authorities to support adult and children's social care, many care groups believe this amount will quickly be used to pay increased staffing expenses.

With an ageing population that are living longer, we could see an increasing number of retirees not being able to access the care they require. If family or friends are able, they may offer to help care for elderly loved ones, but this can present financial and emotional challenges.

With this in mind, it's important to focus on the proactive steps individuals can take to ensure they receive the care they need. A lifetime mortgage provides clients an option to tap into the equity of their homes and use their property as a resource to help fund essential care and support as they journey through later life.

How can an LV= Lifetime Mortgage support your clients?

For those with high needs but limited financial resources, an [LV= Lifetime Mortgage](#) could be used to hire a caregiver, fund a partner's care home fees, or make necessary home modifications in order to create a living environment that fosters independence and comfort.

For those who need to adapt their home in order to continue living comfortably as they get older, our Lifetime Mortgage Lump Sum products could allow your client to release a lump sum of cash in order to modify their home to suit their needs. Alternatively, our Lifetime Mortgage Drawdown products allow for release of a lump sum plus further withdrawals from a cash reserve, ensuring that clients have access to additional funds as their care needs evolve.

Should your client wish to make early repayments, LV's Early Repayment Charge (ERC) structure is unique in that we calculate ERCs based on the completion date of the initial loan, meaning that clients will only incur a charge in the the first 8 years on the Lifestyle product range, or 10 years on the Plus range, regardless of when additional releases are taken.

No ERCs after:

8 years

on the Lifestyle product range

10 years

on the Plus product range

It is important to note that a lifetime mortgage is a loan secured against the value of your client's property. Releasing equity through a lifetime mortgage can reduce the value of their estate and affect their entitlement to means-tested benefits.



To help mitigate concerns about leaving a financial legacy, LV= offer **inheritance protection** on our Lifetime Mortgage Lifestyle range for those that want to secure a portion of their estate for their loved ones, but this can reduce the total amount they can borrow.



Added value benefits

Our research has shown that a key reason UK consumers are considering equity release is to cover the costs of healthcare requirements in later life (11%). To ease some of the pressure that comes with navigating the volatile landscape of later life care, we offer two benefits to our lifetime mortgage customers: LV= Doctor Services and Care Navigator*. These are designed to give clients a bit of extra support when they need it most.

LV= Doctor Services allows access to fast and convenient medical support through an app or by phone. This includes:

- **24/7 remote GP** – unlimited consultations with a UK doctor to discuss any health or medical concerns.
- **Second opinion service** – access to a medical specialist to review a diagnosis, clarify unanswered questions and help understand treatment options.

Care Navigator connects clients with experienced nurses who offer both empathetic and practical guidance. This service helps clients navigate their way through the complexities of the adult social care system by providing:

- **Compassionate support and advice** from knowledgeable nurses.
- **Guidance and support** through the process of finding care.
- **Thorough research** of the most suitable care providers.

Both of these services are available to your clients and their family members, demonstrating that we're committed to providing your clients with the financial tools and support they need during challenging times.

In summary

As the landscape of later life care continues to evolve, it's important for you and your clients to explore solutions that can allow them to maintain their independence and remain in their home whilst still receiving the care they need. A Lifetime Mortgage from LV= could enable your clients to access the cash they require to fund their care needs without compromising their quality of life, giving them greater peace of mind as they navigate their later years.

Find out more about [LV= Lifetime Mortgages](#)

Sources:

LV= Wealth and Wellbeing reports, March and June 2024
BBC News: [Warning tax rises could force care homes to close](#)

*LV= Doctor Services and the services available through Care Navigator are provided by third party companies. These services are not regulated by the Financial Conduct Authority or the Prudential Regulation Authority. LV= Doctor Services and Care Navigator are non-contractual benefits and can be changed or removed at any time.



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