

January 2025



Improvements to our Payment Term Lifetime Mortgage affordability assessment

Starting from 17/01 we will begin considering undrawn pension income as part of our affordability assessment for our Payment Term Lifetime Mortgage (PTLM.)

What does this mean for your clients?

This change allows all customers to access a payment term that can take them up to their 75th birthday, even if they are currently employed but plan to retire before then. Their undrawn pension income will be factored into the affordability assessment, along with any other income from our list of acceptable income types.

What are the key benefits?

- **Access to longer payment terms:** Your clients, who are not yet drawing their pension can access longer payment terms and potentially higher LTVs.
- **Potential for lower interest rates:** Longer payment terms may also enable your clients to access more competitive interest rates, which could reduce their overall cost of borrowing.

Why are we making this change?

This update is a direct response to feedback from advisers and insights we've gained from enquiries received so far. We believe this change will give more customers the opportunity to benefit from a Payment Term Lifetime Mortgage that aligns better with their financial goals in retirement.

Find out more about this policy:

- [Payment Term Lifetime Mortgage Lending Standards](#)

Payment Term Lifetime Mortgage

Our Payment Term Lifetime Mortgage enables all LTM advisers to help more clients:

From age 50

Higher LTV's than our traditional LTMs

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