

A guide to
Equity Release

Your questions
answered



frog-financial.co.uk

Frog Financial Management
Make the leap to a better life



**At Frog Financial Management,
we believe that your retirement
should be just right for you.**

Craig understands what's right
for some of us in retirement,
is not always right for others.

**And that's why Craig takes
a personal, transparent approach
to equity release, supporting
you every step of the way.**



After gaining my qualifications as a graphic designer, I entered the world of corporate advertising, specialising in the high-end retail market. It wasn't quite "Mad Men", but it was an interesting time working with B&Q, Safeway, MFI and the like. They were very demanding and precise in what they expected from their advertising partner. As my reputation grew, I was invited to join a subsidiary of Abbot Mead Vickers who were, at the time, the largest in their field, as their Client Services Director, a long title that basically meant it was my fault if anything went wrong!

Running staff and partnerships with companies like Renault, Sainsburys and BT was challenging, but extremely rewarding, a lot of fun and the learnings were worth the hassle alone.

I was then invited to join a niche player who had just acquired a major client, RBS Group, and this led, after over 20 years, to me looking at the finance world. I did all the exams and attained competent adviser status in my own time, whilst still holding down a very challenging role. The company CEO, who is also a respected Premiership football club owner, was not happy I was leaving, to say the least!

Frog Financial Management's Financial Conduct Authority registration number is 483434.
You can review our status here: register.fca.org.uk/s/

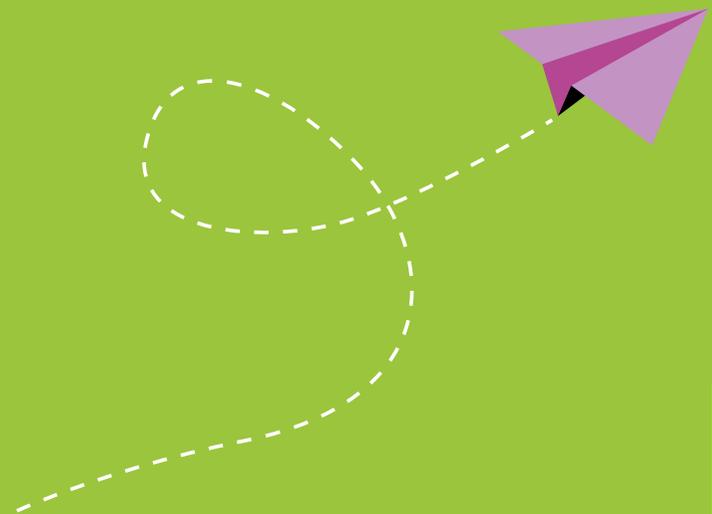
I became an IFA based in Spain and London, although it was enjoyable, I wanted to specialise as a mortgage broker and to set up Frog Financial Management.

I had the complete support of the best partner anybody could have, in my wife Ruth, and she is the backbone of our business. The business has gone from strength to strength and the team has grown, providing specialist mortgage advice and estate planning.

15 years has gone by very quickly!

Understanding that putting the client first is at the centre of our core brand values, gives us the focus to deliver the right advice, to the right people, at the right time.

Craig Scott CeMAP, CeRER
Founder and Managing Director



What is equity release?

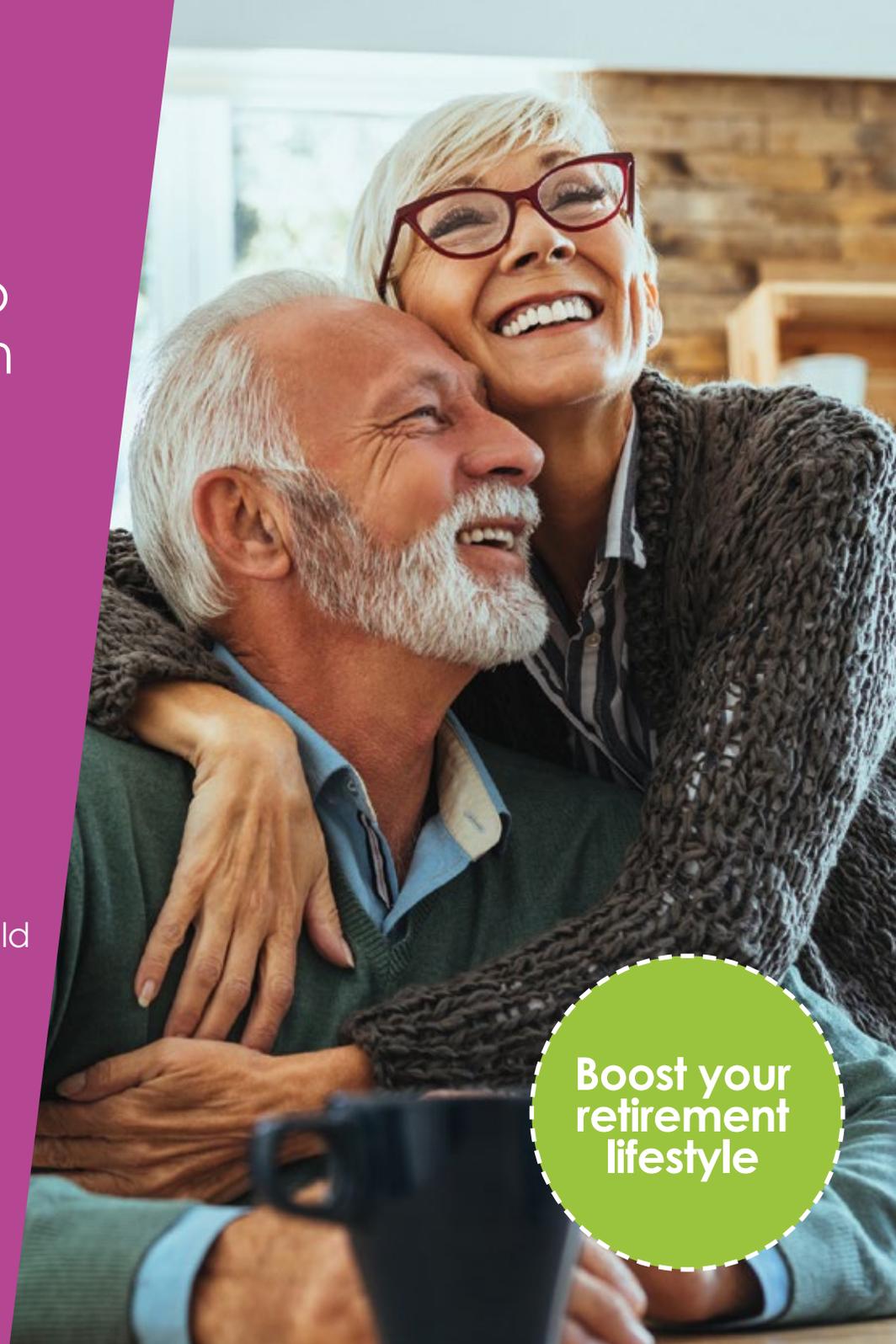
An equity release plan allows homeowners aged 55 and over to access some of the cash locked in the value of their home.

The value of your home, minus any outstanding mortgage and any other loans secured against it, is the equity you have in your property. This equity is often passed on as an inheritance, however an increasing number of people are tapping into some of this wealth to help boost their retirement lifestyle.

After years of working hard to make monthly repayments, your home is likely to be your biggest asset, particularly if you have benefitted from an increase in house prices over the last few decades.

An alternative way to release the equity in your home would be to sell and downsize, however leaving the family home and neighbourhood can be an emotional upheaval.

With people living longer and pensions not being what they once were, for many, savings have to stretch a lot further to last throughout retirement.



**Boost your
retirement
lifestyle**

How would you spend your tax-free cash?

If you are considering releasing a tax-free cash lump sum then you've probably got an idea in mind of how you want to spend it.

Some of the most popular reasons for releasing cash include:



Making home or garden improvements



Gifting money to family



Buying a new car



Going on holidays



Clearing credit cards and loans



Paying off an existing mortgage

Frog Financial Management is a proud member of The Equity Release Council.

The Equity Release Council exists to promote high standards of conduct and practice in the provision of equity release advice.

As a dedicated member, Frog Financial Management will:

- Ensure that all of our actions promote public confidence in equity release as a potential retirement solution;
- Act at all times with the utmost good faith
- Communicate high expectations for equity release outcomes in all our dealings
- Ensure conflicts of interest are managed fairly and reduced to the lowest practical level;
- Exercise due skill, care and diligence in all that we do and uphold the standards set out by our professional bodies at all times
- Always act with the best interests of our clients
- being paramount, treating customers fairly in all our actions.

In addition, we have voluntarily adopted further safeguards. These are set out in the Rules and Guidance (which are available on The Equity Release Council website: equityreleasecouncil.com).

These rules and guidelines are designed to give you confidence in the products and services we provide. These further safeguards include product standards and a requirement for all our clients to receive independent legal advice when taking out an equity release product.



Take a look at some of the Google reviews kindly left by our clients.

Craig and Ruth have undoubtedly helped our dreams come true! You will not find safer hands for handling your finances. They are the Rolls Royce of their industry. We've used their services for over seven years and couldn't be happier!

Maria Goldborune - South Norwood

Frog Financial has been the only mortgage company I have used for the past ten years. As the owner of a local business, The Osteopathic House, we will only recommend exceptional and trustworthy people. This family run mortgage brokers have earned our trust and respect many times over. Thank you, Craig, Ruth, Danielle and the whole team for following up, caring and having the time and expertise to help.

Philip Aarons - Rickmansworth

Craig Scott has been assisting us since 2015 to source specialist mortgages for our company's expanding property portfolio. We know that we can rely on his expert knowledge of the industry, and his insight and advice is invaluable when applying for mortgages/remortgages. We have also engaged Frog Financial Management to source our personal Life insurance Cover as well as Building Insurance for our portfolio. Frog Financial Management are an amazing team who work tirelessly to achieve the desired positive outcome, whether it is getting a mortgage offer over the line or a competitive insurance quotation. We will continue to work in future with Craig and his team.

Teresa Coelho - Watford

We were initially recommended Craig to help us with a remortgage eight years ago by a friend. We were so impressed with the efficiency of the whole experience and Craig's considered advice on mortgage products and other related financial matters, that we have engaged him and the team at Frog for all our personal financial planning ever since. Their advice, guidance and patient nudging has been invaluable on many personal financial matters over the years. Craig, Ruth, Louise and Val make up a trustworthy and deeply experienced team who are always approachable, friendly and able to decode the complexities of financial products into language we can understand. I would not hesitate for a second to recommend them.

Tim Simson - Aylesbury

Look
online, or our
website to
see what
our clients are
saying about
US

Flexible features for personalised plans.

Here's an overview of the flexible features available with equity release plans, designed to ensure you get a plan that's right for you.

- ✓ Lump sum or drawdown
- ✓ No monthly repayments
- ✓ Partial capital repayments
- ✓ Downsizing protection
- ✓ Purchase a new home

What other lending options are there?

We will consider other later life lending products during our advice process that may better suit your needs.

- Retirement interest only mortgages*
- Later life residential mortgages*
- Income lifetime mortgages
- Interest payment lifetime mortgages
- Home reversion



Our adviser will talk you through all these options, so you can make informed decisions.

* Remember a mortgage is secured against your home. Your home may be repossessed if you do not keep up repayments on your mortgage. All of the above products are available through Frog Financial Management other than Home Reversion Plans.



How much can I release?

The amount you can release depends on your age, how much your house is worth and your health and lifestyle.

Generally, the older you are, the more you can release. Some providers take your health and lifestyle choices into consideration which could enable you to release more money.

Calculate how much you could release for free using our simple equity release calculator at:

frog-financial.co.uk/equity-release

A woman with blonde hair, wearing a patterned dress, is sitting on a rock and taking a photo of a man with a smartphone. The man is wearing a white t-shirt and is also sitting on the rock. They are both looking towards a scenic view of a valley with trees and hills. The background is slightly hazy, suggesting a distance or a soft light. The woman is holding the phone up to her eye, and the man is looking at the phone's screen.

**Check out
our finance
calculator
today**

What are the facts about unlocking cash from your home?



Receive a tax-free cash lump sum



With a lifetime mortgage you still own your own home



You can stay in your home for as long as you choose-for the remainder of your life



Typically no monthly repayments to make (unless you want to)



You will never owe more than the value of your home with our Equity Release Council approved plans



There are no affordability checks with an equity release mortgage



You can move house with our Equity Release Council approved plans (subject to criteria)



Option to guarantee an inheritance for your family with some plans



It will reduce the value of your estate and may affect your entitlement to means-tested benefits

**Frog Financial
Management will
guide you through the
process, step by step.**





Get more out of later life with Equity Release.

Whether that's through making those vital home improvements, heading on a trip of a lifetime, helping loved ones get on the property ladder – the choice is yours.

Equity release is a way of unlocking the equity stored up in your home and turning it into a tax-free, cash lump sum.

Whatever financial freedom means to you in later life – renovating your home, paying off an interest-only mortgage or helping your children – equity release is designed to help make it happen.

A holistic approach to retirement planning by accessing your property wealth.



How would you spend your tax free cash?



We need a new way of thinking about retirement.

For the majority of us, property is our biggest store of wealth, more so than even our pensions. Yet, property is currently used much less than pensions in retirement income planning.

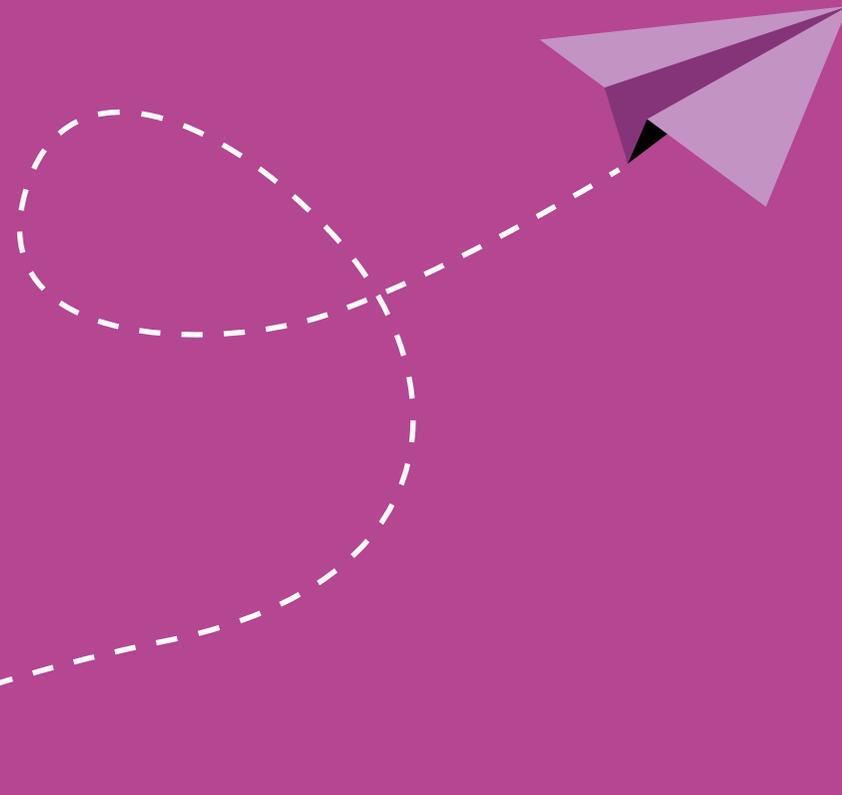
It's important to think more holistically about wealth and being better equipped in this way will help us achieve the retirements we all want to have.

Changes to tax rules mean that it is arguably better to use property or other savings and investments first, saving pensions for later.

Finding yourself house rich and cash poor? Then no doubt someone has already mentioned equity release to you as a way of re-dressing the imbalance.

Release tax-free cash from the value of your home to unlock a better retirement.

What are the most commonly asked questions about equity release?



Is equity release safe?

Equity release is regulated by the Financial Conduct Authority whose primary role is to protect consumers and enhance the financial market's integrity. Expert advice is required before you can take out a plan.

Will I still own my own home?

Yes, with the plans we advise on you'll still own your home and can stay in it as long as you like.

Will I ever fall into negative equity?

No. All plans are approved by the Equity Release Council and come with the no-negative-equity guarantee, meaning you'll never owe more than your home's worth.

Can I move house?

Yes. With our Equity Release Council approved plans your plan can be transferred to a new home (subject to criteria).

Can I Purchase a new home?

Yes, equity release can be used to move home to purchase a new property or even a holiday home. So, you could sell your current home and move to a bigger property. Cash from your current property along with the equity you release from the new home can give you enough to purchase your new home

What do people usually use the money for?

People spend the tax-free cash they release for many different things - some of the most popular are travel, home improvements and repaying existing debts.

Who handles the legal side of the process?

An independent solicitor will need to be appointed to handle the legal side of the process for you. Frog Financial Management want to make sure you are comfortable with your decision, so can recommend solicitors with equity release experience for your consideration.

Can I still leave an inheritance for my family?

Yes, you can. Some of the plans available guarantee a set percentage of your home's value, at the time your plan ends, will form part of your estate for you to pass on to others via your Will.

Can I take out equity release if I still have a mortgage?

Yes, however, you will need to repay the mortgage using the money released. Any surplus funds are yours to enjoy.

What happens when I pass away?

Your home will be sold once the last person has died. The sale proceeds will be used to repay the amount you owe and any money left will go to your estate.

How is my home's value assessed?

Your property will be valued by an independent Royal Institution of Chartered Surveyors (RICS), so you can be confident of an unbiased opinion of your property's worth.

Is equity release safe?

Yes, equity release is regulated by the Financial Conduct Authority, providing protection and security.

At Frog Financial Management our adviser has specialist Equity Release qualifications. The Equity Release Council says that all promotions must be clear, fair, balanced and not misleading. This should make choosing between plans relatively easy, as information has to be given in such a way you can compare details. These rules give further protection, security and, if need be, access to compensation schemes.



As an extra safeguard, Frog Financial Management is a member of the Equity Release Council and only recommend plans approved by the ERC.

The Equity Release Council exists to promote high standards of conduct and practice in the area of advice on equity release products.

All plans approved by the Equity Release Council come with the following guarantees:



You have the right to remain in your home for as long as you choose



You have the freedom to move to another property without financial penalty (subject to provider criteria)



You will never owe more than the value of your home due to their 'no negative equity' guarantee

Why choose Frog Financial Management?

Frog Financial Management are trusted equity release experts here to give you specialist information and advice that's tailored to your needs. We're here to make equity release as transparent as possible, supporting you every step of the way.

Zero risk

Although we charge an advice fee, should you ask us to arrange your equity release mortgage, this is only payable on completion of your equity release mortgage. So, if you decide not to go ahead with your equity release mortgage for any reason, at any time, our fee is not payable, no quibbling. You also have the choice to include our advice fee into your equity release mortgage.

Transparent

Craig will discuss your options with you, including downsizing or using other forms of borrowing, and if equity release isn't right for you, he will tell you.

Personal

Our equity release advice is unique to you, delivered by our qualified adviser, who will take as much time needed to understand your needs. Craig will search the marketplace to ensure he recommends the right plan for you.

Supportive

There's no pressure to go ahead. Craig will give you all the information you need about equity release for you to make an informed decision in your own time.

Did you know

equity release may be used to purchase a new home, holiday home, taken from a buy-to-let property and even from your home where an element is B&B or Airbnb?

Picture this, you would like to move to a new home, but it is out of your budget. You have an existing mortgage which you would like to pay off, rather than borrowing more, and having larger monthly payments to commit to at this time. Using equity release for purchasing allows you to clear your outstanding mortgage while also obtaining additional funds with which to purchase your new property.

Cash from your current property along with the equity you release from the new home can give you enough to purchase your new home.

Releasing equity from a buy-to-let property or portfolio of buy-to-let properties

A buy-to-let property is one that is not occupied by the owner and is let-out under an Assured Shorthold Tenancy Agreement (AST).

Whether you have a single buy-to-let property or you have an established property portfolio, you may be able to use equity release as a way to raise funds. As part of the application process, you will be asked to produce your AST agreement and your details of your property portfolio.

As a landlord, you may have considered selling your buy-to-let property to raise funds that you may need for retirement. However, this potentially incurs capital gains tax. Instead, you can look at obtaining the money via equity release instead.

Taking a tax-free lump sum from your buy-to-let property means that your rental income will be unaffected. The cash that you release may be used to invest in further properties, or for general lifestyle needs as required. Along with that, there is the option to release funds from several buy-to-let properties if you have them.

The basic process for taking equity release on a buy-to-let is the same as your residential property. Any mortgage on the property or properties must be paid off as part of the process, and then the additional funds will be paid into your account.

Some forms of Buy to Let mortgages are not regulated by the Financial Conduct Authority.

Taking equity release from your home when a part is used for B&B or Airbnb.

Until recently, equity release has been very limited on properties where you have a member of the family, a tenant, or a carer living in a self-contained annexe. The same is true for properties where a part is for B&B or Airbnb.

Homes where one or two rooms within the main home or a self-contained part are used for B&B and holiday lettings (including Airbnb).

Lending is now possible providing a guest staying does not extend beyond 30 consecutive days, and no more than 50% of the bedrooms are used commercially.

Homes with a tenant

Equity release plans are now available on properties with a tenancy in a self-contained part of the property. Whether you are renting out an annexe, a flat or a cottage in the grounds, this is now possible with a suitable Tenancy Agreement.

Homes with a live-in carer

Properties with an annexe or self-contained accommodation for a carer are now also considered for equity release.

Frog Financial Management advises on a comprehensive range of lifetime mortgages from across the market.

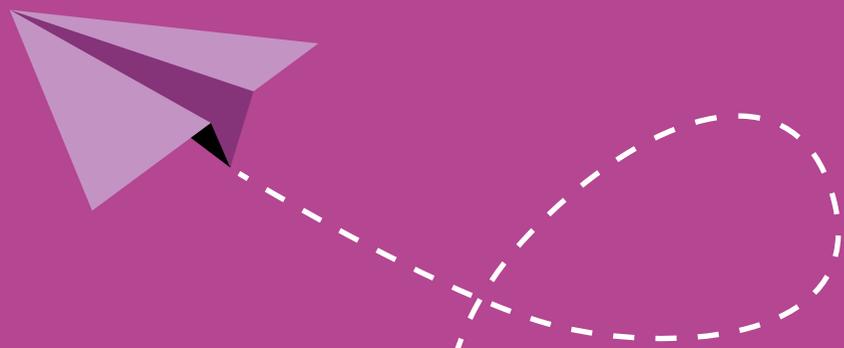


Compare Frog Financial Management to other whole-of-market equity release providers.

	Frog Financial Management	Age Partnership	Key Equity Release
Specialist adviser	Yes	Yes	Yes
Equity Release Council member	Yes	Yes	Yes
Whole-of-market	Yes	Yes	No, More2Life products only
Advice fee	Up to a maximum of 1% of the amount released. However, our typical fee is £995.00.	1.99% of the amount released, subject to a minimum fee of £1,499. That could be typically £1,989*	£0 (Key branded products only). 2.25% of the amount released, subject to a minimum fee of £1,695. That could typically be £2,249*
Adviser bonus	n/a	On client numbers	On average case value

Advice fees as published on broker websites, December 2020.

*Average initial advance, lump sum plans in Q2, 2020 was £99,959. Source: Equity Release Council, July 2020.



Frog Wealth Management
Asset Protection Made Simple



The importance of having the appropriate Estate Planning.

To get the most out of your Equity Release, you should seriously consider Estate Planning. The Financial Conduct Authority strongly advise Lasting Powers of Attorneys (LPAs) are put in place when taking an equity release mortgage.

Should you lose mental capacity, you can no longer access any funds from a drawdown equity release mortgage, or your bank accounts.

LPAs are created to come into action in the event that you lose mental capacity. Should you lose mental capacity,

your loved ones are not able to make decisions on your behalf as you would think. All bank accounts are frozen (including joint accounts and assets), but importantly you can no longer access any funds from a drawdown equity release mortgage and these are not accessible until your representatives are able to take legal action.

Until LPAs can be obtained retrospectively, which can typically take over a year and cost thousands of pounds, all assets are frozen.

Craig advises on this area of his client planning via his sister company, Frog Wealth Management.

For more information please visit frog-wealth.co.uk

The pension/property paradox: moving beyond tunnel vision in retirement planning.

Recent findings by the Equity Release Council show that to meet pensioner aspirations for retirement, a focus on using all available accumulated wealth and assets is important. This is against a background of inadequate retirement savings, increasing daily financial pressures and the death of generous final salary pensions in the private sector.

“...there is significant work to be done to address the pension/property paradox and consign tunnel vision to the past - giving individuals the ability to confidently plan for retirement by considering the full range of their assets.”

Homeowners' investment in property over a lifetime of mortgage payments leaves many with a resource that often equals or exceeds the value of their pension savings. At the same time, the option of seeking supplementary income from bricks and mortar is increasingly important as 51% of homeowners aged 45+ see money invested in property as part of their later life financial plans.

However, there is significant work to be done to address the pension/property paradox and consign tunnel vision to the past - giving individuals the ability to confidently plan for retirement by considering the full range of their assets. This places challenges on both clients and advisers who have to plan for good outcomes over increasingly long lives in retirement.

Source: Equity Release Council.



Find out how we can help.

Book a free, no obligation consultation with Craig Scott, our equity release expert.

Call today to talk to Craig on 01923 718881.

Equity release mortgages are lifetime mortgages. To understand the features and risks, please ask for a personalised illustration. Check that this mortgage will meet your needs if you want to move or sell your home or you want your family to inherit it. If you are in any doubt, seek independent advice. Our processing and administration fee is £995.00, payable should you ask us to arrange your mortgage, this is payable on completion for our service in relation to lifetime mortgage contracts.

Frog Financial Management Ltd is registered in England and Wales with Registration Number 08313431. Registered Office: 86a High Street, Rickmansworth WD3 1AQ. Frog Financial Management is a trading style of Frog Financial Management Ltd, which is an Appointed Representative of The Right Mortgage Ltd, which is authorised and regulated by the Financial Conduct Authority.

Frog Financial Management

Make the leap to a better life



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