



THE
FAMILY
BUILDING
SOCIETY

*I want to see
more of the
world*

*I've always
wanted to
learn to fly*

RETIREMENT LIFESTYLE BOOSTER
MAKE THE MOST OF YOUR RETIREMENT



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YOU MAY BE RETIRED BUT YOU'RE NOT OLD

YOU'RE FIT AND WELL AND ARE LOOKING FORWARD TO THE NEXT 10 OR MORE YEARS BEING ACTIVE AND EXCITING.

PERHAPS YOU WANT TO DO ALL THE THINGS YOU PUT OFF WHILST YOU WERE WORKING, BECAUSE THEY WERE TOO EXPENSIVE OR WOULD'VE TAKEN UP TOO MUCH TIME.

PERHAPS YOU WANT TO SUPPORT YOUR CHILDREN OR GRANDCHILDREN, WHETHER THEY'RE ADULTS WITH A FAMILY AND CAREER OR STILL IN SCHOOL.

You have a decent retirement income and some savings but you're not what you might call flush.

You know that your current home is probably too big for you. More than you need at the moment. Maybe there are a lot of memories in the house, maybe you like having the family round for the holidays or maybe you just like the extra space. Whatever your reason, you're not ready to move somewhere smaller, cheaper and easier to maintain just yet.

Perhaps you are between the ages of 60-79, and you want to make the most of your retirement and achieve some of your long held ambitions but you're not quite sure how.

Sound familiar?

PERHAPS WE CAN HELP

When you first bought a property, perhaps in the 1960s or 1970s, you used a mortgage. That was repeated a couple of times but it's now paid off or will be shortly.

WHAT IF WE TOLD YOU THAT A MORTGAGE COULD HELP YOU NOW? SPECIFICALLY OUR RETIREMENT LIFESTYLE BOOSTER.

Every month the Retirement Lifestyle Booster pays you a fixed sum. Same amount every month for up to 10 years. In return you pay us a set amount each month to cover the 'average' interest due. At the end of 10 years, assuming you've made all the payments, what you owe is what you have borrowed – no more and no less. No sting in the tail. You then repay the loan by selling your house and moving somewhere less expensive, mortgage free, just like you planned to do anyway.

That's the Retirement Lifestyle Booster in a nutshell.

Like the idea?

Of course there's more detail to read about but no nasty surprises, so if you're interested turn the page. You'll find some examples of the Retirement Lifestyle Booster in practice, then some details on how it works.



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HOW IT WORKS



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THE RETIREMENT LIFESTYLE BOOSTER IS A 10 YEAR INTEREST-ONLY MORTGAGE THAT IS REPAID WITH A LUMP SUM AT THE END.



COMPARED WITH A STANDARD INTEREST-ONLY MORTGAGE THERE ARE TWO KEY DIFFERENCES:

- The loan amount is paid out in monthly instalments on the 10th day of each month. Same amount every month for 10 years unless you tell us to stop it earlier. Any existing mortgage is repaid from the agreed loan at the start of the Retirement Lifestyle Booster, along with the optional lump sum.
- Interest is charged on the balance outstanding each month, just like a normal mortgage. As the balance builds up the amount of interest charged increases, just as you would expect. The difference? You pay us an amount each month that covers the 'average' interest due over the 10 years of the loan. That's more than just the interest due in the early years (the excess reduces the balance on which interest is charged) and less in the later years.

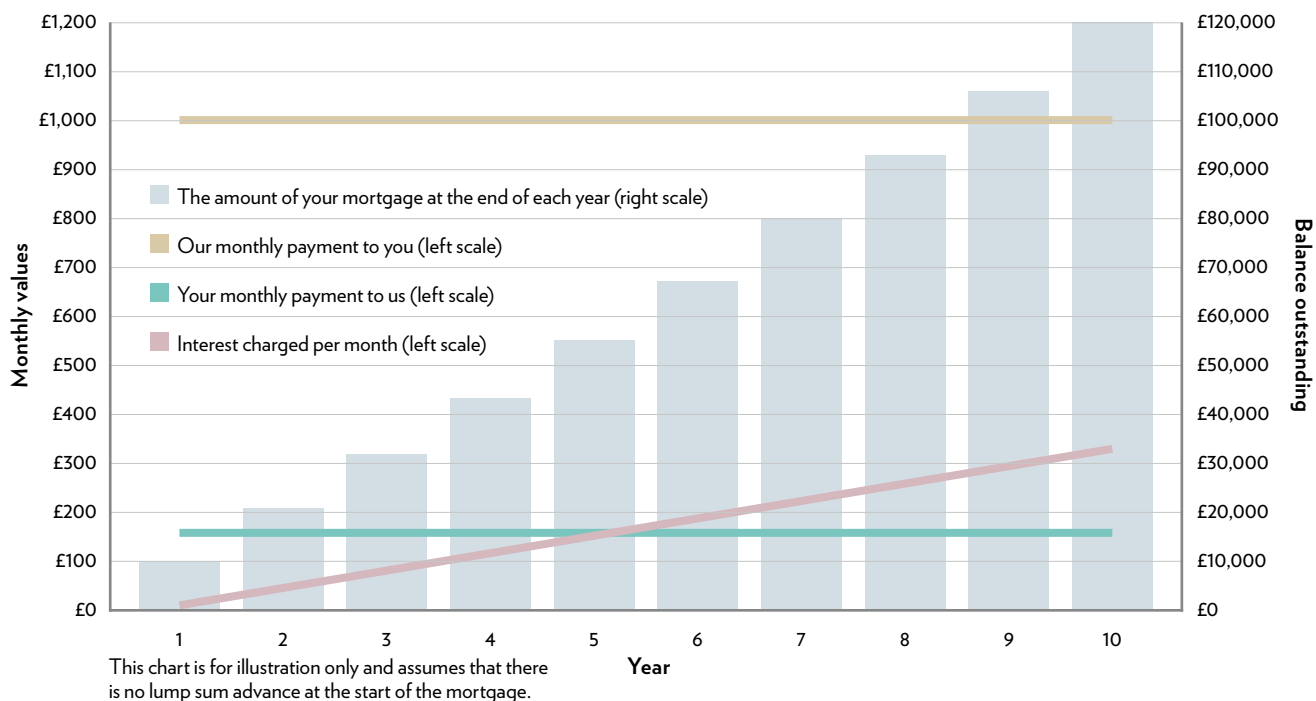
After 10 years the amount outstanding is the amount you've borrowed. You then pay back this amount.

The graph shown on the next page illustrates this using an example loan of £1,000 per month for 120 months (£120,000) and an interest rate of 3.44%. The actual interest rate available for new Retirement Lifestyle Booster mortgages will vary from time to time.

The interest rate is variable and may rise or fall in future. If that happens we'll recalculate the monthly amount you pay us, which may go up or down. The representative example overleaf illustrates this.

We'll also recalculate the monthly amount you pay if you repay some of the money borrowed early or ask us to stop making the monthly loan payments to you.

Otherwise the monthly payment you make to us won't change.



FIVE IMPORTANT POINTS TO NOTE:

- 1 Unlike Equity Release plans where you have no monthly repayments and the interest due rolls-up thus increasing your debt, by using the Retirement Lifestyle Booster the amount you owe at the end of the 10 year term will be the same as the amount we have lent to you.
- 2 If interest rates rise and the payment you have to make to us increases to the point that you feel the Retirement Lifestyle Booster is no longer appropriate, then you can end the mortgage by repaying the balance outstanding. As long as the mortgage has been in place for more than three years, no Early Repayment Charge will be payable and the only extra cost in addition to the mortgage balance outstanding is our Mortgage Exit Fee (currently £100). This may mean selling your current home sooner than you had planned to do so or using another source of capital.
- 3 At the end of the 10 year term you are required to repay the outstanding loan in full. This can be done by selling your home and moving to a lower value property, or using other money you then have available.
- 4 A Retirement Lifetime Booster is a mortgage so will be secured against your property. This means that if you fail to make the payments or to repay the loan at the end of term, you could lose your house as it may be repossessed.
- 5 By the 'average' interest due, we mean the amount required to leave the balance outstanding at the end of the 10 year term equal to the amount we have paid to you, less any money you opted to repay early.

REPRESENTATIVE EXAMPLE:

A mortgage of £241,000.00, drawn down in monthly instalments of £2,008.33 over 10 years, on a discounted variable rate for 10 years currently at 3.14% would require 119 monthly payments of £302.18 plus one initial interest payment of £3.64.

The total amount payable would be £278,948.06 made up of the loan amount plus interest of £35,963.06, an Application Fee of £886 which includes the Valuation Fee, a Product Fee of £999 and a Mortgage Exit Fee of £100.

The overall cost for comparison is 3.4% APRC representative.

Using the representative example above, if interest rates rose by 1% at the end of year 3, your new monthly payment to us would increase to £421.01. If interest rates rose by a further 1% at the end of year 5, your monthly payment would increase to £563.26.

CASE STUDIES

'I would like to have some additional money to help pay for some of life's luxuries'



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JULIE'S CASE STUDY



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£100,000
total mortgage

=

£10,000
initial lump sum

+

£750 per month
received for 10 years

JULIE, 73, MOVED INTO HER FOUR BEDROOM DETACHED HOUSE WITH HER LATE HUSBAND 40 YEARS AGO WHERE THEY RAISED TWO CHILDREN. JULIE NOW HAS FOUR GRANDCHILDREN AND HER HOUSE IS NOW WORTH MUCH MORE THAN WHEN THEY BOUGHT IT.

Eventually Julie would like the majority of the equity in the house to be left to her children. She's not ready to leave the house yet as she likes all the family coming to stay at Christmas and weekends, but Julie also knows that in the future she will have to move somewhere smaller when the house becomes too big for her on her own.

Julie has a comfortable income owing to her late husband's final salary pension with the civil service and her own private pension.

While Julie has enough income to comfortably live on each month, she would like to have a little extra to help pay for some of life's luxuries. Julie would also like to contribute towards her grandchildren's school fees each term, and be able to afford to go on holidays regularly.

Julie chooses a mortgage of £100,000 which allows her to opt for an initial lump sum of £10,000 as well as receiving £750 each month for up to 10 years. This will enable her to help her family, and go on more holidays with her family and friends. In return she'll pay us the 'average' interest due every month. At the end of the mortgage term in 10 years, Julie will sell her house and downsize as a means of paying off the capital outstanding on the mortgage, just as she always planned to do.

CASE STUDIES

'We want to broaden our horizons and see more of the world'



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STEVE AND HELEN'S CASE STUDY

SINCE STEVE, 68, AND HELEN, 64, GOT MARRIED 38 YEARS AGO AND MOVED INTO THEIR FAMILY HOME, THEY'VE ALWAYS PUT THEIR FAMILY'S NEEDS FIRST. FROM MUSIC AND DANCE LESSONS FOR THEIR CHILDREN WHEN THEY WERE YOUNGER, THROUGH TO HELPING THEM OUT WHILST AT UNIVERSITY, ALL THEIR EXTRA INCOME WENT TOWARDS GIVING THEIR CHILDREN A GOOD START IN LIFE.

Now Steve and Helen have both retired and their children are self-sufficient adults, they've decided they want to spend their early retirement doing fun things, whilst they're still fit and able to.

They both have retirement income and Steve still does the occasional day of consultancy work, which tops up their income. Their current income enables them to pay the bills and have a good standard of living with a little surplus, but they could do with a monthly boost to help cover the costs of their retirement plans and hobbies.

Helen has always yearned to visit far flung exotic places she's only ever read about or seen on documentaries. Now she's retired, Helen thinks this would be the perfect opportunity to take an extended holiday and see more of the world.

Steve has decided he would like to be able to spend more of his time on the golf course and wants a monthly membership to the local club now he has more free time. He also has a long-standing ambition to learn how to fly. Regular lessons have always been out of his price range, and now he would like some extra cash to cover these.

Steve and Helen decide to take out a Retirement Lifestyle Booster to give them a monthly cash injection, as they can afford the payments required within their budget and income. The extra cash each month will go towards their dream holiday and Steve's flying lessons, with Helen hoping that Steve can eventually fly her to France for lunch occasionally!

At the end of their 10 year period, Steve and Helen plan on downsizing from their family home, which will free up money to repay their Retirement Lifestyle Booster and allow them to live mortgage free.



RETIREMENT LIFESTYLE
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Cash injection
each month

+

Interest payback
each month

QUESTIONS YOU MAY HAVE

1 WHO OWNS THE PROPERTY?

As with a traditional mortgage, you continue to own the property for the entire mortgage term.

2 WHAT HAPPENS IF I WANT TO MOVE?

You can. If you wish to move house during the mortgage term you can transfer the mortgage to another property provided it meets our lending criteria. You do this by selling your existing property, repaying the existing mortgage and taking out a new one on the same day on the property being purchased. The terms of the Retirement Lifestyle Booster are transferred as part of this. Remember that the maximum agreed advance (including money already drawn) must be no more than 25% of the value of the new property so some adjustment of your loan may be required if you are moving to a less expensive property.

3 WHAT'S THE MAXIMUM AMOUNT I CAN BORROW?

You can borrow up to 25% of the value of your property. This will be used to:

- Pay you a monthly amount for up to 10 years
- Optionally, pay you a one-off lump sum at the beginning (maximum lump sum being 24 times your chosen monthly payment, minimum £500)
- Repay your existing mortgage, if any.

For example, if your property is worth £480,000 the maximum Retirement Lifestyle Booster mortgage is £120,000. If you have an existing mortgage of £20,000 to repay, then from the remaining £100,000 you could receive £833 per month with no initial lump sum.

Alternatively, if you want to receive a lump sum at the start then you will need to choose to receive a smaller monthly amount.

Using this example some of the possible combinations are shown in the table below.

MONTHLY PAYMENT	INITIAL LUMP SUM
£833	£0
£800	£4,000
£750	£10,000
£700	£16,000
£650	£15,600
£600	£14,400
£550	£13,200
£500	£12,000

4 WHAT'S THE MINIMUM AMOUNT I CAN BORROW?

If you are currently mortgage free, the minimum amount you can borrow is £60,000 which gives a monthly payment to you of £500 per month for 10 years. If you are also using the Retirement Lifestyle Booster to repay your existing mortgage, the minimum amount you can borrow is £45,000. The minimum amount you can use for monthly advances is £30,000. This gives a monthly payment to you of £250 per month for 10 years.

5 WHAT'S THE MINIMUM PROPERTY VALUE?

The Retirement Lifestyle Booster is available on properties worth £180,000 and over.

6 WHEN WILL MY MORTGAGE COMPLETE?

If you are currently mortgage free and you have not requested an optional lump sum, your mortgage must complete on the 10th working day of the month, or the following working day if the 10th is a non-working day. If you are using the Retirement Lifestyle Booster to repay your existing mortgage, and/or you have requested an optional lump sum, your mortgage can complete on any day of the month. This is subject to our normal checks being satisfied e.g. references, proof of identity and affordability.

7 CAN I CHANGE THE AMOUNT I RECEIVE EACH MONTH?

No. Once the loan has started the monthly payments to you will remain at the same level each month for up to 10 years.

If you no longer wish to receive these, you can ask us to cancel this aspect of your mortgage. Once cancelled, the monthly payments to you cannot be restarted at a later date. Your payment to us will be recalculated on a standard Interest-Only basis, using the actual balance outstanding.

8 CAN I BORROW MORE MONEY?

No. The Retirement Lifestyle Booster is intended to be repaid after 10 years. For this to remain a realistic prospect additional borrowing is not available.

The optional lump sum is available only at the start of the Retirement Lifestyle Booster mortgage and cannot be taken later on.

9 IN A JOINT MORTGAGE, WHAT HAPPENS IF ONE BORROWER DIES?

The Retirement Lifestyle Booster continues in the name of the surviving borrower only. It is therefore important that you are sure you can afford the monthly payments from the start.

10 WHAT HAPPENS WHEN THE LAST SURVIVING BORROWER DIES?

The monthly payments to the borrower will cease. As with a standard mortgage, the estate of the deceased will be responsible for the payments to us and for securing and insuring the property until it is sold.

11 HOW MUCH WILL I OWE AT THE END?

At the end of 10 years the amount of mortgage outstanding will be the same as the amount you have borrowed (i.e. the initial loan plus the amounts paid to you each month). Your monthly payments to us will have covered the interest due. This is subject to all payments due being made on time, as you would expect.

12 HOW OLD DO YOU HAVE TO BE?

The youngest borrower must be aged 60 or over at the time of the application, and the oldest borrower must be aged 79 or under at the time of application.

13 CAN I HAVE AN OUTSTANDING MORTGAGE WITH ANOTHER LENDER AND APPLY?

Yes you can. Your mortgage with your existing lender must be repaid at the start of the Retirement Lifestyle Booster using part of the loan we agree. The additional amount you borrow from us must be at least £30,000.

14 ARE THERE ANY FEES?

Yes. These will be shown in the illustration provided by your adviser. You can also find a list of all the fees that may apply during the mortgage on our website, familybuildingsociety.co.uk/fees

15 CAN I REPAY A LUMP SUM?

Yes. If you decide to repay during the first three years you will incur an Early Repayment Charge.

16 WHAT HAPPENS AT THE END OF THE 10 YEAR TERM?

At the end of the 10 year term you will need to repay the outstanding loan in full. This will be the amount you

borrowed (i.e. the initial loan plus the amounts paid to you each month). You can do this by selling your property and moving to a less expensive one or using another source of capital to repay the outstanding amount.

17 IS THE RETIREMENT LIFESTYLE BOOSTER AVAILABLE TO PURCHASE A NEW PROPERTY?

No.

18 WHEN ARE THE MONTHLY PAYMENTS RECEIVED IN MY BANK ACCOUNT?

Our monthly payments will be sent to you on the 10th calendar day of each month, or the following working day if the 10th is a non working day.

19 WHAT DO I PAY TO YOU EACH MONTH AND WHEN?

Each month you pay us the 'average' interest due over the term of 10 years. The first payment by you is due one month after the Retirement Lifestyle Booster starts and then on the 5th of every month after that. Your payments are made by direct debit. By 'average interest due' we mean the amount required to leave the balance outstanding at the end of the 10 year term equal to the amount you have borrowed from us less any money you repay early.

20 WHAT INTEREST RATE IS CHARGED?

The interest rate charged is linked to the variable Family Building Society Managed Mortgage Rate. Current details are given in the illustration provided by your adviser and are also available on our website.

21 WHAT CAN I USE THE MONEY FOR?

The money can be used for a variety of lifestyle reasons, although we do have some restrictions on what you can use the borrowing for. It can't, for example, be used to cover everyday living costs. Please ask us for more information.

22 HOW CAN I APPLY?

You can either apply through an independent mortgage broker or directly through one of the Family Building Society's Mortgage Advisers.

YOU WILL BE REQUIRED TO MAKE PAYMENTS TO COVER THE INTEREST DUE EACH MONTH.

THE INTEREST RATE IS VARIABLE AND YOUR MONTHLY PAYMENTS MAY INCREASE OR DECREASE IN THE FUTURE.

THIS IS NOT A LIFETIME MORTGAGE.

YOU WILL REPAY THE FULL LOAN AT THE END OF THE TERM. THIS WILL REQUIRE YOU TO SELL YOUR HOME AT THAT TIME UNLESS YOU HAVE OTHER SOURCES OF CAPITAL FOR THE REPAYMENT.

OUR HERITAGE



RETIREMENT
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THE FAMILY BUILDING SOCIETY WAS SET UP FOR FAMILIES JUGGLING MULTIPLE FINANCIAL SITUATIONS. THINGS DO SEEM MORE COMPLICATED THESE DAYS AND WE'RE HERE TO HELP. WE'RE IN TOUCH WITH THE ASPIRATIONS FAMILIES HAVE AND THE OBSTACLES THEY MAY FACE TO REACH THEM. WE MAKE EVERY EFFORT TO UNDERSTAND YOUR INDIVIDUAL SITUATION. WE'LL LISTEN AND WE WANT TO HEAR FROM YOU.

AS A MUTUAL ORGANISATION WE'RE NOT DRIVEN BY SHAREHOLDERS OR SHORT-TERM PROFITS. WE'RE PART OF NATIONAL COUNTIES BUILDING SOCIETY WHICH HAS BEEN SECURELY LOOKING AFTER PEOPLE'S MONEY SINCE 1896. WE'RE CONTINUING THEIR EXCELLENT STANDARDS OF CUSTOMER SERVICE.

FIND OUT MORE ABOUT OUR INNOVATIVE SAVINGS ACCOUNTS AND MORTGAGES, BUILT FOR TODAY'S FAMILIES, AT [FAMILYBUILDINGSOCIETY.CO.UK](https://www.familybuildingsociety.co.uk)

THE MORTGAGE WILL BE SECURED ON YOUR HOME
YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP
REPAYMENTS ON YOUR MORTGAGE



FOR MORE INFORMATION CONTACT
YOUR MORTGAGE ADVISER.

ALTERNATIVELY, YOU CAN PHONE
OUR FRIENDLY AND HELPFUL TEAM
WHO CAN GUIDE YOU THROUGH
YOUR OPTIONS.

03330 140140

FAMILYBUILDINGSOCIETY.CO.UK

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