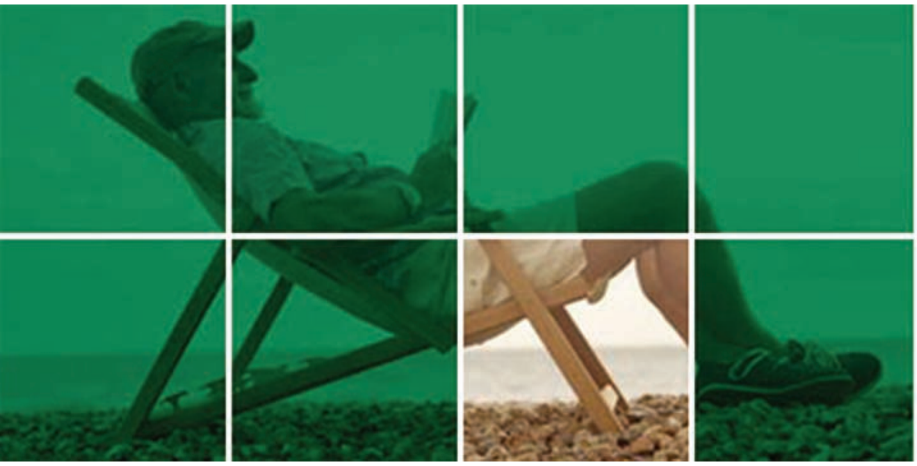

Neville JAMES EQUITY RELEASE

Neville James Equity Release - IFA Guide to Home Reversions

Unlocking the value in your client’s home

With increased life expectancies, advisors are looking for alternative ways to help clients fund their retirement. Equity release can be the ideal solution, as it allows clients to use the value of their home to generate a lump sum or additional income.

The first equity release plan was completed in 1965 and the market has continued to develop. These days, a client’s main asset is often their home and as part of a complete financial planning service, it should be included in the advice process. In fact, in their Equity Release Report 2005 the Institute of Actuaries concluded that over 50% of the over 65’s wealth was held in bricks and mortar.

How does a Home Reversion scheme work?

In return for a cash lump sum your client transfers part or all of their home to an investor. Your client is granted a lifetime lease, which means their security of tenure is protected and ensures that the right to remain in their property for their lifetime is guaranteed.

An investor, known as the Home Reversion Provider, will own your client’s property. With partial transfers the property is held in trust for both parties. Home Reversion Providers are often large companies or partnerships with portfolios of home reversion properties.

The lease terminates on the death of your client(s) or on early surrender of the lease if they opt to move into care or live with relatives.

Why choose a Neville James Home Reversion Plan?

All plans provided by Neville James provide the following safeguards for your clients:

- They have the freedom to move to a suitable alternative property;
- They have the right to live in their property for life;
- They receive a payment of a cash sum;
- The proportion of equity sold by your client is fixed at outset thus allowing your client to safeguard a proportion of equity for their beneficiaries;
- Neville James Limited is fully authorised by FSA to arrange Home Reversion Plans.

Neville James Equity Release can select a Home Reversion Provider who is a member of Safe Home Income Plans (SHIP), a company supported by the leading providers of home income and equity release plans which is dedicated to protecting those who take out Home Reversion Plans.

Security

A Neville James Home Reversion Plan enables your client to decide what proportion of their home they want to sell and what percentage of their property they want to safeguard for their beneficiaries or family.

All SHIP members offer a “no negative equity” guarantee. However, as a Home Reversion Plan is not a loan, there is no roll-up of interest/repayment as for a mortgage product. Therefore any retained share of the property is preserved unencumbered.

Firms who provide, arrange the sale of or administer Home Reversion Plans are regulated by the FSA and all plans arranged through Neville James with members of SHIP will also comply with the SHIP Code of Practice.

Flexibility

Neville James Home Reversion Plans are flexible and allow your client to move to any suitable property subject to the same terms and conditions agreed when they first took out the plan. The client will be responsible for the costs of moving, including Stamp Duty Land Tax (SDLT), legal and valuation fees.

Neville James does not insist your client releases all the equity in their property at once – it may be possible to phase releases over time, taking advantage of increases in home reversion rates as clients grow older and effectively creating an income stream.

How much can be released

The amount of money that can be released depends on your client’s gender, age, the value of their home and the proportion of equity they wish to release.

An example of rates as at May 2008 are as follows:

Age	Male	Female	Mixed couple
65	43.00%	39.00%	34.50%
70	51.56%	46.56%	40.66%
75	58.00%	54.00%	48.00%
80	63.60%	59.70%	56.25%
85	67.60%	65.70%	62.00%

The valuation process

Once your client decides to proceed and upon receipt of the application together with the fee, we will instruct a firm of surveyors to carry out an independent valuation.

Your client has the option of choosing a suitably qualified valuer from our approved panel in which case you should contact us as soon as possible to make the appropriate arrangements.

When using one of our approved panel of valuers the valuation is subject to a binding complaints procedure. The firm selected has a duty of care to both your client and the Home Reversion Provider.

As part of the valuation process they will review recent property sales in your client's area and will research comparative property sales to assist in arriving at their valuation.

We ask for a contribution to the valuation process, which is refunded at completion. For properties valued at £500,000 or less, the contribution is currently £95.

The application process

1. IFA advises client that a Home Reversion Plan is suitable.
2. IFA contacts Neville James for a personalised Key Facts Illustration (KFI).
3. IFA receives KFI, brochure and Application Form from Neville James.
4. IFA returns the completed Application Form to Neville James with a cheque for the valuation fee contribution.
5. Neville James instructs a valuation.
6. Subject to satisfactory valuation results, Neville James issues a formal offer and the Home Reversion Provider's solicitor is instructed.
7. The Home Reversion Provider's solicitor contacts the client's solicitor, who then discusses the lease and other documentation with your client.
8. Once your client is happy to proceed, your client's solicitor agrees a completion date.
9. Completion takes place and funds are released to your client's solicitor.
10. The lease, and a Declaration of Trust if your client has retained an interest in the property, is registered with the Land Registry, protecting your client's interest.

For full product specifications, terms and conditions please see our individual IFA Product Specification guides.

For use by authorised financial advisors only. This information is not for use by private retail customers.

Neville James Equity Release is a division of Neville James Limited, which is authorised to arrange the sale of Home Reversion Plans.
Neville James Limited is authorised and regulated by the FSA.

Neville James Limited is registered in England and Wales Company No 2705948. Registered Office: 9 West Pallant Chichester West Sussex PO19 1TB

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