

# Lifetime Loan

## Fact Sheet

*Effective 19th March 2024*



### What is a Lifetime Loan?

Our Lifetime Loan allows you to release money from your principal private residence, tax free, without having to sell it. You retain full ownership of the property and continue to live in it for as long as you wish. You do not have to make monthly repayments unless you want to. The loan will usually be repaid from your estate or on the sale of your property.

### Who is it suitable for?

Our Lifetime Loan is designed for customers who:

- Are aged 60 or over. If there are two of you, the younger person must be aged 60 or older.
- Own their own residential property in the Republic of Ireland.
- Are resident in the Republic of Ireland.
- Want to borrow a minimum of **€20,000**.

### For your property to be eligible:

- It must be your primary residence.
- It must be of standard construction located in the Republic of Ireland.
- It must have a minimum value of €175,000 outside of Dublin or €250,000 in Dublin.
- It must have a maximum of two named owners on the deeds of the property.
- It must be mortgage free. If there is a small existing mortgage or charge on the property, this must be cleared either from savings or from the proceeds of your Lifetime Mortgage.
- Certificate of Title must be confirmed by your solicitor.
- Home Insurance must be maintained at all times on your property.
- All local property tax charges must be up to date.

## How much can I borrow?

- The minimum loan size is **€20,000**.
- The amount you can borrow is calculated as a percentage of your home's value and depends on your age, subject to an overall maximum of **€500,000** regardless of age or property value - **See Table 1**.
- Customers aged 60 may borrow up to a maximum of 15.0% of the value of their property.
- For example a customer who is 70 years of age can borrow a maximum of 25% of the value of their property - **See Table 1**.
- If there are two of you borrowing together, the amount available will depend on the age of the younger borrower.
- In order to gain an accurate value of your property, an independent valuer will be appointed by Spry Finance.



## Calculation of the Lifetime Loan amount:

The maximum loan size is determined by use of a maximum Loan to Value Ratio ("LVR") specified according to the age of the younger nominated resident.

Table 1 summarises the range of LVRs according to the age of the younger nominated resident.

**Table 1:**

Age	Loan Limit*
60	15%
65	20%
70	25%
75	30%
80	35%
85 & older	40%

\*Loan Limit means the percentage of the property's value that can be borrowed.

## Interest Rate

**6.70%** per annum fixed rate, added to your loan monthly. **Annual Percentage Rate ("APR") 7.08%** (assuming a loan amount of €75,000) over a term of 15 years.

Rate is as at date of this Fact Sheet but may change before the loan is drawn down. Loan offer is valid for 30 days.

## Optional Repayments

You can choose to make regular repayments to service the interest and manage the balance of your loan without incurring an Early Repayment Charge (ERC) should you wish to:

- You can do this by making regular monthly direct debit repayments or by electronic payment.
- You can choose to pay up to 10% of the loan amount per year without any possibility of an Early Repayment Charge (ERC).

Full details of the ERC are provided in the Spry Finance Guide to a Lifetime Loan, including details of exemptions to the ERC.

Visit [www.spryfinance.ie/think-it-through/lifetime-loan-calculator/](http://www.spryfinance.ie/think-it-through/lifetime-loan-calculator/)

to check the impact of making optional repayments on your Lifetime Loan

## Advice

Spry Finance will advise you on the suitability or otherwise of a Lifetime Loan.

We strongly recommend that you seek additional financial advice from a qualified source about any possible effect that a Lifetime Loan could have on any means-tested State benefits and other related matters.

You must seek independent legal advice from a solicitor.

We strongly recommend that you discuss your intention to apply for a Lifetime Loan with your family.

# The Green Lifetime Loan

To help you live a greener life in later life

The Green Lifetime Loan mirrors all the features of the Standard Lifetime Loan

- With a reduced interest rate of **6.50%** (6.70% Standard v 6.50% Green)
- And a lower set-up fee of **€1,350**



Table 2:

Estimated Overall Cost of Set-up Fee	
Year	€
0	1,500
5	2,095
10	2,927
15	4,089
20	5,713

Based on interest rate **6.70%**

**Note:** We recommend that this fee is paid upfront to avoid the fee increasing in value over time.

## Who is it suitable for?

- 1) If you have an existing Building Energy Rating (BER) of B3 or better and can supply a BER certificate at Loan Application; or
- 2) If you intend to use your Lifetime Loan to fund home improvements to achieve a BER rating of B3 or better within 12 months of drawing down your loan; or
- 3) If you intend to use a minimum of 50% of your Lifetime Loan for qualifying home improvements within 12 months of drawing down the loan.



# Green Lifetime Loan Example

Green Lifetime Loan from Spry Finance		Standard Lifetime Loan From Spry Finance
€100,000	Loan Amount	€100,000
6.50%	Interest Rate over Life	6.70%
€164,984	Total Cost of Credit	€173,027
€8,043	Green Saving	€0
€150	Reduced set-up fee/contribution to cost of BER certificate	N/A
<b>€7,893</b>	<b>Total Saving</b>	<b>€0</b>

\*Based on 15-Year Term

Qualifying Home Improvements (Completed within 12 months of drawing down the loan)		
Wall attic & floor insulation	Window & door upgrades or replacements	Ventilation Systems
Renewable energy systems, heat pump, solar panels	Sustainable water / heating systems	Boiler upgrades & pipe insulation
Installation of energy efficient controls	Deep retrofit (e.g. SEAI Deep Retrofit Grant)	

For details of grants available under the National Home Energy Upgrade Scheme please visit Sustainable Energy Authority of Ireland's website at <http://www.seai.ie/> or email [info@seai.ie](mailto:info@seai.ie)

Where you intend using 50% or more of your Lifetime Loan towards qualifying home improvements, work being undertaken must include one or more of the above to qualify for a Green Lifetime Loan.

Where a BER certificate number is provided by you, Spry Finance may use it to validate your BER rating using the Sustainable Energy Authority Ireland national BER register.

Where you are unable to evidence qualifying works completed, Spry Finance reserves the right to apply our standard fixed rate to your Lifetime Loan.

**YOU MAY BE REQUIRED TO PROVIDE A COPY OF YOUR HOME'S BER CERTIFICATE AND/OR INVOICES EVIDENCING HOME IMPROVEMENTS COMPLETED WITHIN 12 MONTHS.**

## Customer Costs & Fees

Set-up Fee	<p><b>€1,500</b> applies to new loans. A reduced set-up fee of €1,350 will apply to Green Lifetime Loans. This fee covers the cost of an independent property valuation (€225) and a contribution to the costs incurred by Spry Finance in arranging your loan (€1,275).</p> <p>You can choose to pay the set-up fee in advance OR the fee can be included in your Lifetime Loan and deducted from the amount being borrowed.</p> <p><b>However, we recommend you pay this fee upfront to avoid the fee increasing in value over time as indicated in Table 2.</b></p>
Loan Variation Fee	<p><b>€500</b> applicable to any variations arising during the life of the loan, e.g. adding or removing a borrower.</p> <p>You will be liable for any 3rd party costs incurred by Spry Finance when any variation is required during the loan (e.g. Adding or removing a borrower). The 3rd party costs will be calculated at the time of the variation and we will provide you with details of these costs at the time.</p>
Loan Redemption Fee	<p><b>€100</b> payable upon full repayment of the loan.</p> <p>This fee contributes to the costs arising when discharging a loan e.g. legal or registration fees incurred by Spry Finance in redeeming the mortgage.</p>
Legal Fees	<p>In addition to fees payable to Spry Finance, you will be responsible for agreeing and paying any fees your own solicitor will charge for providing advice to you.</p>

## Commissions Paid by Spry Finance

Spry Finance Customer Consultant	<p>Your Customer Consultant will receive a once off commission of <b>€200</b> for conducting the Customer Meeting and Customer Fact Find.</p> <p>Your Customer Consultant will receive an additional <b>€500</b> when your loan is drawn down.</p>
Customer Consultant or Referral Broker	<p>If your loan was referred directly by a Customer Consultant or a Referral Broker an additional fixed commission of <b>€1,000</b> will be paid to your Customer Consultant or to that Referral Broker.</p>
Spry Broker Partner	<p>If your loan application is processed by a Spry Broker Partner, a once off fixed commission of <b>€1,700</b> will be paid to your Spry Broker Partner when your loan is drawn down.</p>

**These fixed payments, will be paid by Spry Finance and are irrespective of the amount you borrow.**

### FOR LIFETIME LOANS:

**WARNING: WHILE NO INTEREST IS PAYABLE DURING THE PERIOD OF THE MORTGAGE, THE INTEREST IS COMPOUNDED ON A MONTHLY BASIS AND IS PAYABLE IN FULL IN CIRCUMSTANCES SUCH AS DEATH, PERMANENT VACATION OF OR SALE OF THE PROPERTY.**

**WARNING: PURCHASING THIS PRODUCT MAY NEGATIVELY IMPACT ON YOUR ABILITY TO FUND FUTURE NEEDS.**

### FOR FIXED RATE LIFETIME LOANS:

**WARNING: YOU MAY HAVE TO PAY CHARGES IF YOU PAY OFF A FIXED RATE LOAN EARLY.**

### IF YOUR LIFETIME LOAN IS BEING USED FOR DEBT CONSOLIDATION PURPOSES:

**WARNING: THIS NEW LOAN MAY TAKE LONGER TO PAY OFF THAN YOUR PREVIOUS LOANS. THIS MEANS THAT YOU MAY PAY MORE THAN IF YOU PAID OVER A SHORTER TERM.**