

Second Home Lifetime Loan Fact Sheet

Effective 18th November 2024



What is a Second Home Lifetime Loan?

Our Second Home Lifetime Loan allows you to release money from your second home, tax free, without having to sell it. You retain full ownership and continue to enjoy the benefits of the property. You have the option to make monthly repayments if you want to. If you choose not to make repayments, the loan will usually be repaid from your estate, when you move into long term care or on the sale of your property.

Is the Second Home Lifetime Loan a Lifetime Mortgage?

- Although the Second Home Lifetime Loan does not meet the definition of a Lifetime Mortgage contained in the Consumer Protection Code, it operates in almost the same way.
- The main difference between a Second Home Lifetime Loan and a Lifetime Mortgage is that it is secured against a property other than the borrower's principle primary residence.
- As a result, borrowers and/or their family members will not have the right to permanently reside in the property.
- All other protections provided to customers of our standard Lifetime Mortgage will apply to customers of the Second Home Lifetime Loan.

Who is it suitable for?

Our Second Home 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 a residential second (non-tenanted), private property in the Republic of Ireland.
- Are resident in the Republic of Ireland.
- Want to borrow a minimum of **€50,000**.
- Maintain the up-keep of their property and visit it on a regular basis.

It may not be suitable for customers who:

- Intend to sell the property in the short to medium term and/or transfer the property to a family member or close relative in the short to medium term.
- Intend to rent the property on a long-term basis or use it for commercial purposes.
- Use the property or intend to use the property as their principal private residence.

How much can I borrow?

- The amount that you can borrow depends on your circumstances, which include your age and the value of your property – See Table 1.
- Customers aged 60 may borrow up to a maximum of 15% of the value of their property.
- Customers over 60 may borrow one additional percent for every year of age (i.e. if you are 61 you may borrow up to a maximum of 16%, if you are 62 you may borrow up to a maximum of 17% etc.) up to a maximum of 40% for those aged 85 and older.
- An adjustment to the maximum loan size will be made for any potential future Capital Gains Tax liability – This will be agreed with you on application.
- 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.
- Confirmation of the original acquisition price of the property will need to be provided by your Solicitor.

For your property to be eligible:

- It must be of standard construction located in the Republic of Ireland.
- It must have a minimum value of €225,000 outside of Dublin or €300,000 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 an existing mortgage or charge on the property, this must be cleared either from savings or from the proceeds of your Second Home Lifetime Loan.
- It must not be used for commercial purposes.
- However, it may be let on a short-term basis for up to a maximum of 8 weeks per year.
- Certificate of Title must be confirmed by your Solicitor.
- Home Insurance must be maintained at all times on your property.
- All local property charges must be up to date.



Calculation of the Second Home Lifetime Loan amount

The Maximum Loan Size is determined by using a maximum Loan to Value Ratio ("LVR") according to the age of the younger nominated borrower.

Second Home properties may attract Capital Gains Tax, on any future gain associated with your property. Such tax can impact on the Maximum Loan Size of the Second Home Lifetime Loan.

Confirmation of the original acquisition price of your property will need to be provided by your Solicitor. To the extent that there is a potential Capital Gains Tax liability, we will adjust the Maximum Loan Size accordingly. Table 1 summarises the range of LVRs according to the age of the younger nominated borrower.

Table 1

Age	Loan Limit*	Age	Loan Limit*	Age	Loan Limit*	Age	Loan Limit*
60	10.1% - 15%	67	14.7% - 22%	74	19.4% - 29%	81	24.1% - 36%
61	10.7% - 16%	68	15.4% - 23%	75	20.1% - 30%	82	24.8% - 37%
62	11.4% - 17%	69	16.1% - 24%	76	20.8% - 31%	83	25.5% - 38%
63	12.1% - 18%	70	16.8% - 25%	77	21.4% - 32%	84	26.1% - 39%
64	12.7% - 19%	71	17.4% - 26%	78	22.1% - 33%	85+	26.8% - 40%
65	13.4% - 20%	72	18.1% - 27%	79	22.8% - 34%		
66	14.1% - 21%	73	18.8% - 28%	80	23.5% - 35%		

*Loan Limit means the percentage of the property's value (adjusted for current Capital Gains Tax) that can be borrowed

Please contact us with your details and we can go through the calculations with you to determine your adjusted Maximum Loan Size.

Interest Rate

6.95% per annum fixed rate, added to your loan monthly.

Annual Percentage Rate ("APR") **7.37%** (assuming a loan amount of **€75,000** over a term of 15 years).

Rate is as at the 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 pay up to 10% of the original loan amount per year to service the interest and manage the balance of your loan amount 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.
- Payments in excess of 10% of the original loan balance per year may result in an ERC.

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

Advice

Spry Finance will advise you on the suitability or otherwise of a Second Home Lifetime Loan for meeting your financial needs and objectives.

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

You must seek independent legal advice from a Solicitor.

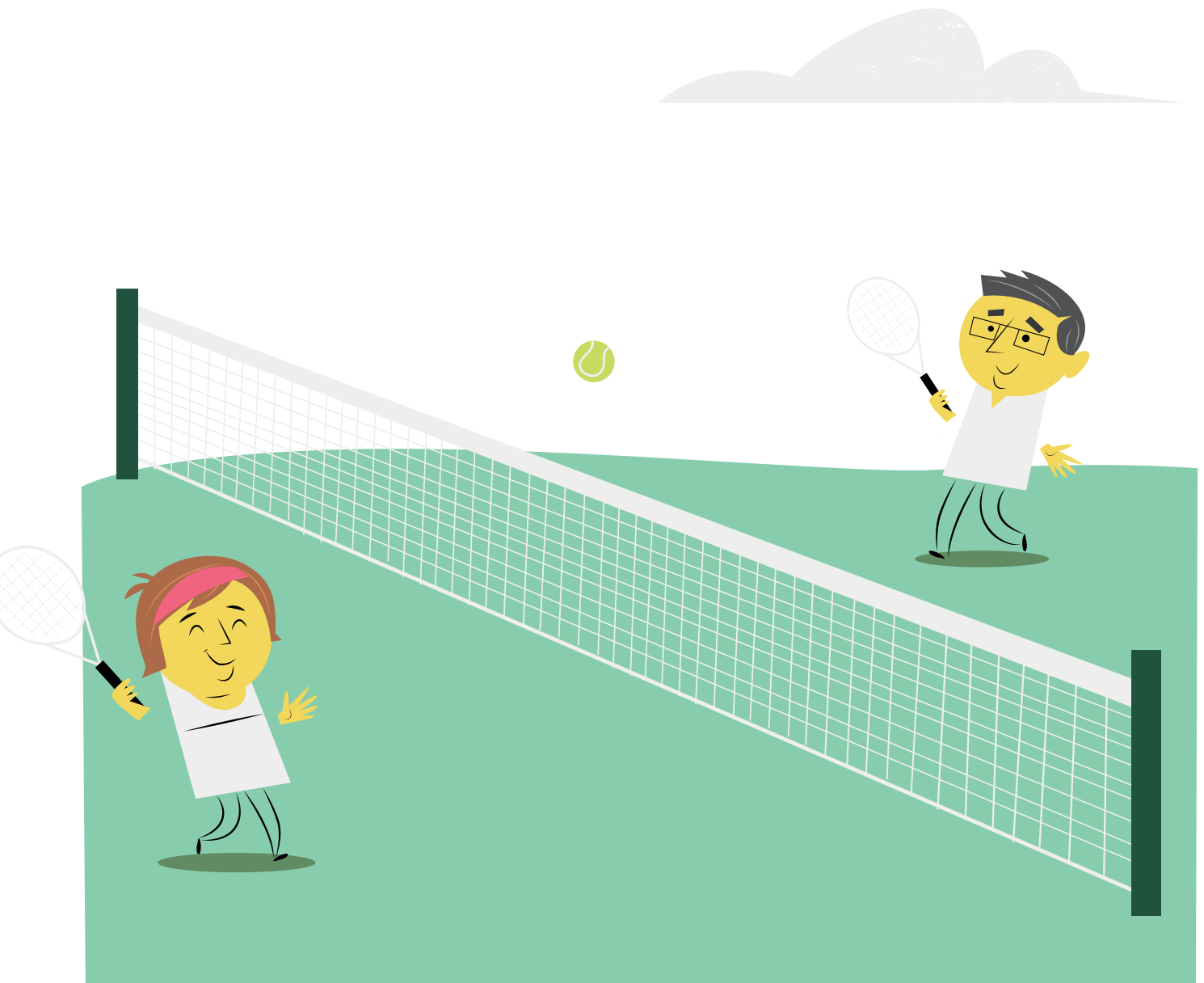
We strongly recommend that you discuss your intention to apply for a Second Home Lifetime Loan with your family.

Table 2

Estimated Overall Cost of Set-up Fee	
Year	€
0	1,500
5	2,122
10	3,001
15	4,244
20	6,004

Based on interest rate **6.95%**

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



Customer Costs & Fees

Set-up Fee	<p>€1,500 applies to new 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>We recommend you pay this fee upfront to avoid the fee increasing in value over time as indicated in Table 2.</p>
Set-up Fee - Additional Lending (within 12 months)	<p>€1,000 applies to additional lending taken out within 12 months of drawing down your original loan. This fee covers the cost of a revised property valuation and a contribution towards the costs incurred by Spry Finance in arranging your loan.</p> <p>We recommend that you borrow the amount you need in a single advance to avoid incurring a set-up fee at a later date.</p>
Loan Variation Fee	<p>€500 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>
Early Repayment Charge (ERC)	<p>Where reference interest rates are lower when you are making an early payment than when the loan was taken out, an Early Repayment Charge (ERC) may apply. The ERC is the difference between the benchmark rate at the time of early repayment versus the benchmark rate at the time the loan is issued x number of years remaining for calculation purposes x loan balance.</p> <p>Full details of the ERC are provided in the Spry Finance Guide to a Lifetime Mortgage, including details of exemptions to the ERC.</p>
Loan Redemption Fee	<p>€100 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>
Home Insurance Fees	<p>You will be required to maintain home insurance on the secured property at all times. You will be responsible for agreeing and paying such fees to your home insurance provider. In the event that home insurance is not maintained, Spry Finance may arrange this for you and charge it to your loan account.</p>

Commissions Paid by Spry Finance

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