

## INTEREST ONLY AND RETIREMENT INTEREST ONLY

RIO mortgages as defined by the FCA – an Interest Only Mortgage where:

1. It is not an interest roll up mortgage
2. Entry in to which is restricted to older borrowers above a specific age (usually retired)
3. Under which the lender is not entitled to seek full repayment of the loan until the occurrence of one or more specified life events, unless the borrowers breaches their contractual obligations in a way which allows the lender to terminate the contract.

Terms	Interest Only	Retirement Interest Only (RIO)
LTV	70%	60%
Min Loan	£25K (P) £40K (R)	£25K (P) £40K (R)
Max Loan	£350K	£350K
Min Prop Val	£175K	£125K
Min Equity	£150K	None
Multiplier	4 x Single or Joint	4 x Single or Joint
Affordability	Joint and single after 1st death	Joint and single after 1st death
Max Age	90	None
Min Age	None	55
Life Insurance	Recommended but not compulsory	Subject to survivors income from all sources
LPA	If older borrowers recommended	Recommended but not compulsory
Max Term	In line with RV	None – illustration term agreed with borrower
Income	All types as per Lending Policy	Pension and other non salaried
Rate	2 year discount rate of 2.19% or 3 year at 2.49%	3 year discount rate of 2.99%
Fee	None	£495 with LPA £795 without LPA

**NB: REMORTGAGES attract free valuation (Hometrack) and free legals when using the Society's panel.**

**\*Minimum equity including other assets could need to be more in other areas of the UK in order to be able to downsize. £150k is the minimum for East Yorkshire.**

**LPA – Lasting Power of Attorney**

**RV – Repayment Vehicle (including sale of property to downsize)**