

If your mortgage term takes you past either your 71st birthday, or the age you've told us you'll retire (whichever comes first) it's important to understand the risks involved and what they could mean for you.

Keeping up with your payments when you retire

When you retire, your income is likely to reduce, so you'll need to have a plan in place to make sure you can still pay your mortgage every month.

It's important to review these plans regularly to make sure they stay fit for purpose and keep your repayments on track.

For example, if you'll be relying on pension income to maintain your mortgage payments, you should keep checking that the pension provision you're making now will be enough to generate the income you'll need in the future. This can be difficult to project if your planned retirement is some way off.

Repaying or reducing your mortgage when you retire

If you find your retirement income isn't enough to keep up with your mortgage payments, you may need to consider reducing or fully repaying your mortgage.

You'll need to think about:

- Reviewing any repayment plans you had to make sure they're still on track to reduce or repay the mortgage balance.
- Any market conditions, or legislation associated with your repayment plans, which could affect the amount of money you have available when you retire.
- If you might need to use any repayment strategy funds you had planned, elsewhere.
- Any shortfalls in your repayment plans, to ensure you can cover your mortgage payments another way.

Why it's important to have plans in place

If you don't have a repayment plan in place, or you intend to reduce or fully repay your mortgage in retirement by selling either the mortgaged property or another asset, you must consider the following:

- You might not have enough equity in your property to repay the loans secured on it, and buy another property.
- If you fall into arrears over the life of the mortgage, this could reduce the amount of equity you have in the property when you come to sell it, and make future borrowing more difficult.
- The value of any investments you have that are linked to the stock market, is unlikely to be guaranteed and may fall as well as rise. This could leave you with fewer resources than you expected.

Please remember, it's your responsibility to make sure you can continue to cover your mortgage repayments after you retire. If you don't, your home may be repossessed.

Help and advice

We only offer lending into retirement, however there are many other lending options for later-life out there. If you're interested in this, seeking some independent financial advice could be useful for you. Take a look at the MoneyHelper website www.moneyhelper.org.uk for more information.

Our printed material is available in alternative formats e.g. large print, braille or audio. Please call us on **0345 1200 100**.

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