



It has come to the notice of the Conveyancing Committee that certain lending and other institutions are offering packages whereby the over 65s/70s can raise capital on their residences either by way of loans or sales of a share therein. These are innovative concepts in this jurisdiction. While the committee welcomes the concept of equity release for the elderly in principle, it shares the concerns that practitioners have expressed to the committee.

The schemes being offered are complicated and difficult for the lay person to comprehend fully without effective and clear legal advice. Practitioners acting for clients availing of these schemes should take particular care to advise their clients of all the conditions therein, many of which differ from those in the usual standard residential loan documentation, including those relating to the interest rate charged, the involvement of executors and beneficiaries, and the events which will allow the lender/investor to call in the loan and sell the property.

The committee is in consultation with the institutions in question and a more detailed information note will issue at the conclusion of these consultations. In the meantime, practitioners should ensure that they fully familiarise themselves with the contents of these packages.

EQUITY RELEASE FOR THE ELDERLY: PRELIMINARY INFORMATION NOTE