



Legal & General Home Finance announces new agreement with NatWest

Interest-only mortgage customers of NatWest will be offered Legal & General Home Finance's lifetime mortgages

Legal & General Home Finance has today announced a new agreement with NatWest. The agreement will see Legal & General offer its lifetime mortgages, including its Optional Payment Lifetime Mortgage (OPLM) as a potential solution for NatWest interest-only borrowers aged 55 and above who are at the end of their mortgage term and unable to repay their loan. The agreement adds to existing arrangements with Virgin Money, Santander and The Co-operative Bank.

NatWest will offer interest-only customers who may benefit, the opportunity to speak with Legal & General's specialist partner for advice on whether a lifetime mortgage would be suitable for them. As well as NatWest customers, other Royal Bank of Scotland customers will also be included in the scheme.

Customers will be offered advice by The Retirement Lending Advisers (TRLA)- equity release experts who are part of Key Retirement Solutions. TRLA only give advice on Legal & General's Lifetime Mortgages.

Earlier this year the Financial Conduct Authority (FCA) called on the mortgage industry to provide more options for interest-only borrowers¹, and this deal demonstrates the commitment of both Legal & General Home Finance and NatWest to respond to the FCA and customer needs. NatWest, part of the RBS Group, is the first of the 'Big 4' banks to work with Legal & General to offer more options to its interest-only customers.

Steve Ellis, CEO, Legal & General Home Finance said:

"At Legal & General Home Finance we believe that lifetime mortgages can play a central role for interest-only mortgage holders. We are committed to raising awareness about the transformative impact housing wealth could have to help these borrowers, enabling them to pay off their mortgage debt and enjoy the retirement they've always wanted, while remaining in the home they love.

¹ 2018-060 <https://www.fca.org.uk/news/press-releases/fca-urges-action-on-interest-only-mortgages>



“We’re delighted to be collaborating with NatWest, who also recognise the positive role lifetime mortgages can play, and we look forward to working closely with the Bank to provide another option for these interest-only borrowers.”

Ian McLaughlin, MD Home Buying & Ownership, NatWest added:

“We always work hard to support any of our Interest Only mortgage customers who are reaching the end of their loan term but don’t have a repayment method in place. Introducing the option of speaking to Legal & General in relation to a Lifetime mortgage is an important addition to the way in which we will help these customers find a solution that best suits their circumstances.”

-ENDS-

The information contained in this press release is intended solely for journalists and should not be relied upon by private investors or any other persons to make financial decisions.

Notes to Editors

A lifetime mortgage is a loan secured against the client’s home. The amount that can be borrowed depends on a client’s age, the value and suitability of their home and whether they are applying jointly or as an individual. Dependent on the type of lifetime mortgage chosen, the client receives a cash lump sum, smaller amounts as and when required, or a regular monthly income. Interest is added to the amount they owe each month, which means we charge interest on the loan plus any interest already added. The lifetime mortgage is usually repaid from the sale of the property when the client(s) dies or leaves the property for long term care. There may be cheaper ways to borrow money.

FURTHER INFORMATION (Call charges may vary)

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About Legal & General

The Legal & General Group, established in 1836, is one of the UK’s leading financial services companies. As at 31 December 2017, we had over 9.5 million customers in the UK for our life assurance, pensions, investments and general insurance plans.



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