

## *Is Equity Release a con?*



Equity release can be a great way of improving your standard of living, especially in the later years of retirement. Unfortunately it suffers from a poor reputation. There are several reasons for this, not least when the product was first introduced over 20 years ago it often represented poor value, with interest payments sometimes exceeding the income it generated and people could die owing more than the value of their home.

More recently it has been confused with sale and lease-back schemes where a person sells their house and then have to pay a high level of rent if they wanted to stay in it.

Modern reputable equity release schemes don't have any of these drawbacks as they:

- Contain a no negative equity guarantee so you can never owe more than your home is worth.
- Do not charge any rent, and any interest that is payable can be rolled on and repaid with the capital when you die or permanently move into care.

Reputable equity release providers belong to an organisation known as SHIP (Safe Home Income Plans) and you should only ever consider buying an equity release from a SHIP member.

Equity release is not right for everyone, but it no longer is a con.

*For help and advice on money matters contact us*

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