



















Richard Gibson

Consultant to the

Joseph Rowntree Foundation

27th January 2010



### The need















JRF concerned that older people can continue to live in their own home for longer

Home owners on low incomes cannot afford to pay for additional help at home

About 1 million older home owners entitled to Pension Credit have homes worth over £100,000

So, JRF commissioned work to identify and tackle obstacles to equity release for such people



















Equity release has had a poor reputation

there have been bad products in the past

Equity release seen as expensive compared to mortgage loans for house purchase

Arranging an equity release deal looks daunting

High risk of losing benefits if equity release deal is set up to provide a regular income



# JRF Equity Release Task Group

April 2008 – October 2009

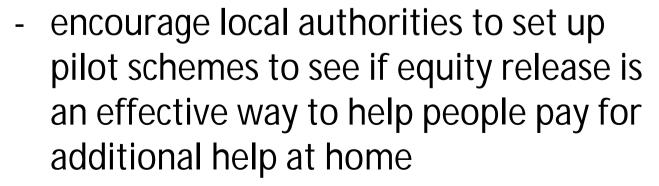


#### JRF set up this Group to





















## Outcome of the JRF Task Group















3 LAs were interested in piloting equity release if a suitable product was on offer

SHIP approached equity release providers

Just Retirement agreed to develop product for LA pilots, needing no public subsidy

Product designed for home owners on Pension Credit & available in small amounts

Just Retirement Solutions agreed to offer benefit checks & advice on whether product suitable



## Features of the pilot schemes















LAs and voluntary bodies signpost the scheme for those it might help

Home owner contacts Just Retirement Solutions; gets benefits check; is advised what solution would be best

If using the product designed for the pilots, has strong consumer protection (FSA rules, SHIP's guarantee, requirement to use own solicitor) plus alertness for risk of financial abuse



## Pilot equity release schemes















3 LAs have embarked on pilots

All envisage uses additional to JRF's focus on additional help at home

Each pilot will share experiences with the others

JRF is undertaking an independent assessment of the pilots (November 2009 to June 2011), reporting in autumn 2011

JRF has published today a paper on the development of the pilot schemes













Overcoming obstacles to equity release







Richard Gibson

Consultant to the

Joseph Rowntree Foundation

27th January 2010