

**SCOTTISH WIDOWS
BANK**

preparation is everything



Lifetime Mortgage

Take time to enjoy life.
Take a Lifetime Mortgage.

Free up your future

When you first planned to buy the house in which you live today, you made possibly the largest single purchase of your life. The question is, now that you fully own your home, how do you make the best use of this asset?

Over the years you have worked hard to make this home everything it is today. But now could be the right time to make your bricks and mortar work just as hard for you by releasing just some of this potential to help prepare and provide for your future.

Access your biggest asset

Scottish Widows Bank can now help you achieve this with a specially designed mortgage for homeowners like you. It can help you free up part of the value of your house, without risk to your home and without any repayment if you choose. You can even move home during the term and still apply.

Prepare for the time of your life

This release of capital can be used in any way you see fit: to assist in your financial planning, take the holiday of a lifetime, visit friends or relatives you haven't seen for years, buy a new car or build an extension.

Our Lifetime Mortgage means you have a simple and flexible way of releasing some of the investment you have made in your home.

Please note, the Scottish Widows Bank
Lifetime Mortgage is NOT linked with
any investment product.

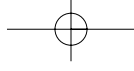
**CHECK THAT THIS MORTGAGE WILL MEET YOUR NEEDS
IF YOU WANT YOUR FAMILY OR OTHERS TO INHERIT YOUR HOME.
IF YOU ARE IN DOUBT, SEEK INDEPENDENT LEGAL AND FINANCIAL ADVICE.
THIS IS A LIFETIME MORTGAGE.
TO UNDERSTAND THE FEATURES AND RISKS ASK FOR A PERSONALISED ILLUSTRATION.**

Take full advantage of your greatest asset

In the years that have passed since you first bought your home the chances are that the value of your home has risen dramatically. If a survey was prepared on your house today you might be very surprised by the result!

The good news is that with the Scottish Widows Bank Lifetime Mortgage you can now release this potential. The table below shows just how much of the value of your home you can borrow.

Age	Maximum Borrowing
60	20%
61	20%
62	20%
63	21%
64	22%
65	23%
66	24%
67	25%
68	26%
69	27%
70	28%
71	29%
72	30%
73	31%
74	32%
75	33%
76	34%
77	35%
78	37%
79	39%
80	40%
81	41%
82	42%
83	43%
84	44%
85	45%
86	46%
87	47%
88	48%
89 and over	50%

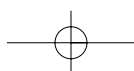
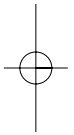
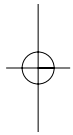


The money you want, when you want it

The Lifetime Mortgage has been designed to be as simple as possible. You can apply as long as you are a homeowner aged 60 or over, and require a loan of £10,000 or more.

Use the table on the previous page to see how much you can borrow, and then work out how much you need. You can apply for further advances at a later date at no extra cost, so there is no reason to borrow more than you need at first. In fact, it may work out cheaper if you release equity gradually over time, subject to a minimum withdrawal of £5,000 for each advance after the initial lump sum. Should you wish to borrow an amount at a later date which depends on an increase in the value of your property, you will need to pay the cost of a new valuation. Interest will be charged on further advances at the fixed rate which applies at the time of application. This could be different from the rate which applies at present.

You then need to decide how you want to repay the money you have released. You can choose to repay the loan in full, with all the interest added, when your house is eventually sold. If you have taken the mortgage in joint names, it will not be repaid until the last surviving borrower dies or moves permanently into long-term care. Alternatively, you can make regular monthly payments to cover the cost of interest, although the actual equity sum you release will still be repaid from the eventual sale of your property. Whichever payment option you choose, the Lifetime Mortgage enables you to release some of the equity from your property and make use of your money without having to sell your house.



For your protection and security

- Scottish Widows Bank undertake that the borrower will never have to pay back more than the open market sale proceeds of the property when the mortgage is repaid.
- You can continue to live in your property until the house is sold, or you move permanently into long term care, or you die.
- Scottish Widows Bank will not repossess the property if the accumulated debt exceeds the property value.
- We will not try to persuade you to invest the money you release into any investment products we provide. You are completely free to decide how to use the funds you receive, and the mortgage is not linked to any other product.
- You should only borrow the amount of money you need now, as there are no fees for further advances in the future. The rate of interest we charge on further advances may be different from the current interest rate, but it will be the same as the interest rate available to new customers at the time you apply for the further advance.
- You can repay the mortgage at any time. We guarantee that early repayment charges will only apply during the first 5 years and will not exceed 3% of the original loan amount repaid (see Lifetime Mortgage Key Features for details). If the loan is repaid on death, or if you move permanently into long-term care, then these charges do not apply.
- To ensure that you are not caught out by future interest rate rises, interest will be at a fixed rate for the life of the loan. Interest may be paid monthly, or added to your loan amount for repayment when your house is sold.
- It is important to ensure that buildings insurance arrangements are in place to adequately protect your home. Scottish Widows Bank can offer a very comprehensive, yet reasonably priced policy.

Our policy provides the reassurance of knowing that you are covered against the full cost of repairing or rebuilding your home. This means that if the worst happens your home will be protected against most hazards including fire, flooding and storm. Protection for your home contents and accidental damage cover is available on request.

If you have any questions about this insurance cover or require an indicative quote, please call us on **0845 845 0100**.

The right advice is important

Scottish Widows has been looking after the financial wellbeing of people from all walks of life for more than 180 years. It is one of the most recognised and respected financial services companies in the UK today.

With Scottish Widows, planning for a secure and successful future couldn't be easier. You will be making a sound choice with a name you already know and can trust.

Our prudent approach to business – combined with fair and even handed treatment of customers – is in line with the strong business and ethical policies which have been a feature of the growth and development of Scottish Widows throughout its history.

So you can rest assured that you'll be in the safe hands of a group which is committed to giving you the highest standards of personal service and the benefit of considerable expertise.

Scottish Widows Bank would like to remind you that it is important to seek professional advice and discuss your options with family members before taking on this mortgage. You should discuss with your solicitor whether it might also be a good idea to review your Will at this time.

If you are in any doubt as to the suitability of this mortgage, you should consult your mortgage adviser.

We recommend that you check how this loan might affect your eligibility to any state benefits you receive.

Our Lifetime Mortgage means you have a simple and flexible way of releasing some of the investment you have made in your home.

Important things to think about

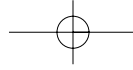
Taking out a lifetime mortgage may reduce your eligibility to means tested state benefits.

Money released from your home is currently tax free. If you invest it, the income generated from the investment could be taxable depending on the type of investment.

If you take out a lifetime mortgage, it will reduce the value of the estate you leave when you die and may also reduce inheritance tax. If you are thinking of using a lifetime mortgage as part of your planning for inheritance tax we strongly suggest that you obtain financial advice.

The table below shows an example of how the amount due under a lifetime mortgage might grow if you allow interest to roll-up on the mortgage.

Number of years since you took out the loan	Amount you owe if you take a lump sum of £50,000 and if the mortgage interest rate is:	
	5% a year	7% a year
5	£63,814	£70,128
10	£81,446	£98,358
15	£103,947	£137,952
20	£132,666	£193,484
25	£169,319	£271,372



Key Features of the Lifetime Mortgage

Qualifying criteria

- Borrower(s) aged 60 or over.
- Maximum of 2 borrowers.

50% borrowing

Borrowing up to 50% of property value.
Please see table on page 1 for details.

Amount of mortgage

Minimum borrowing – £10,000.

Purpose

Any purpose.

Please note, the Scottish Widows Bank Lifetime Mortgage is not linked with any investment product.

Product details

Lump sum release.

Term

For life of single or surviving borrower, or until surviving borrower moves into long-term care or property is sold when borrower moves house.

Interest rate

Fixed for the life of the mortgage.

Booking fee

Non-refundable fixed-rate booking fee – £495.

Repayment

Interest is normally added to the loan each month, as payments are not made by the borrower. The original amount of the mortgage plus all of the interest is repaid in full from the sale of the property. The client will have the option to pay interest monthly, provided that this is selected on application. Once selected this option is fixed.

Early repayment

If the mortgage is redeemed within the first five years, an early repayment charge equal to 3% of the original loan will become payable. If the loan is repaid on death, or if borrower moves permanently into long-term care, then this early payment charge does not apply.

Further advances

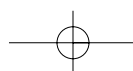
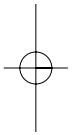
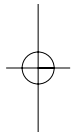
All further advances will be subject to our lending criteria and interest will be charged at the rate prevailing at that time – minimum £5,000.

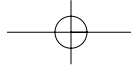
Portability

This product is portable. The mortgage can be transferred to a new property subject to assessment.

Property

- Mortgage free (or have small mortgage outstanding – in this case part of the Lifetime Mortgage must be used to repay outstanding debt).
- Property is in good repair.
- Have at least 80 years remaining on a lease.
- Property title has to be in joint names (if applicable).





Solicitors

Borrower(s) must be represented by their own solicitor.

Exclusions

No Power of Attorney applications.

Declarations/Safeguards

- Applicants should seek financial advice from a qualified source independent of Scottish Widows Bank.
- Applicants should consult a solicitor.
- Applicants' Mortgage adviser should check eligibility for State Benefit.
- Applicants should involve family in the decision to take a Lifetime Mortgage.

Our undertaking

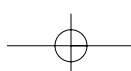
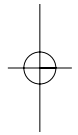
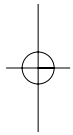
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Valuation fee

Value not exceeding	Mortgage Valuation fee
£75,000	£115
£150,000	£175
£250,000	£225
£350,000	£280
£450,000	£325
Over £450,000	On Request

Buildings Insurance

Scottish Widows Bank can offer a very comprehensive, yet reasonably priced policy.



Internet Banking

Our Internet Banking service offers a convenient way for you to manage your mortgage 24 hours a day, 7 days a week. And it's easy to register too – just complete the 'Internet Banking' question in your Lifetime Mortgage application form.

Please note, Internet Banking cannot be accessed or operated by Guarantors, Power of Attorneys or Third Party Mandate Holders.

Where to next?

If, after advice, you would like to apply for the Scottish Widows Bank Lifetime Mortgage please complete an application form and return it to us in the pre-paid envelope provided. If you have any further questions please don't hesitate to contact us on

0845 845 0829

Contact details

Customer Services
Scottish Widows Bank plc
PO Box 12757
67 Morrison Street
Edinburgh
EH3 8YJ

Scottish Widows Bank Mortgage Service Line
0845 845 0829

For your security and to assist us in improving our service to you, telephone calls may be recorded and monitored.

Pre-recorded Interest Information Line
0870 845 0829

Website **www.scottishwidowsbank.co.uk**

Scottish Widows Bank is committed to making its products and services available to everyone. Copies of our literature can be provided in large print or in Braille and additional assistance is available to any customer upon request. If you have any special requirements please contact our Customer Services staff in the first instance on 0845 845 0829.

Scottish Widows Bank plc subscribes to the Banking Codes, copies of which are available from us on request. We also have in place an internal complaints procedure, copies of which can be obtained from our Customer Services staff on 0845 845 0829.



Scottish Widows Bank plc, Company Number 154554. Registered in Scotland having its Registered Office at PO Box 12757, 67 Morrison Street, Edinburgh EH3 8YJ.

The main business of Scottish Widows Bank is arranging, entering into and administering mortgages and accepting deposits. Authorised and regulated by the Financial Services Authority. Our FSA number is 201601. Signatory to the Banking Codes.

Lifetime Mortgages are available only to people aged 60 or over, for joint applications both applicants should be aged 60 or over. All credit facilities are subject to status and valuation. For mortgages we require security over the property. Buildings insurance for the reinstatement value will also be required. Full details and written quotations are available from Scottish Widows Bank plc, PO Box 12757, 67 Morrison Street, Edinburgh EH3 8YJ.

This contract is between the applicant(s) and Scottish Widows Bank plc. The Terms of the Contracts (Rights of Third Parties) Act 1999 and any other legal third party rights are specifically excluded. This means that only the parties to the contract (or legal successor(s), assignee(s) or other security holders) may have contractual rights.

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