

RETIREMENT INTEREST ONLY DECLARATION

Where you have requested your mortgage to be on a Retirement Interest Only basis please read and sign this form.



Head Office, PO Box 232, 51 Newmarket Road, Cambridge CB5 8FF

IMPORTANT INFORMATION

1. A Retirement Interest Only mortgage is an interest only mortgage which means that your mortgage balance will not reduce.
2. Your monthly payment will only cover the interest that becomes due on the capital amount and the amount that you borrow will remain outstanding unless you make capital repayments.
3. The loan will be repaid when a 'Life Event' occurs. A Life Event will be deemed to have occurred in the following circumstances:
 - when the borrower dies or, in the case of joint borrowers, when the second borrower dies; or
 - when the borrower (or second borrower where there are two) moves into residential care or other alternative accommodation and vacates the property and leaves it unoccupied for a continuous period of 6 months, unless (to avoid a Life Event occurring) the borrower has obtained written consent from The Cambridge in advance of leaving the property unoccupied that they can do so for a specified period of time and has agreed a date on which they must return to the property; or
 - on sale of the property.
4. The borrower, or their next of kin where the borrower is deceased, must advise The Cambridge of a Life Event within 30 days of its occurrence.
5. No capital is repayable until the Retirement Interest Only mortgage is redeemed. Age is never a requirement of repayment.
6. Interest will continue to accrue from the date that repayment is triggered by a Life Event (in accordance with paragraph 3 above) until the date that the Retirement Interest Only mortgage is actually redeemed.
7. Taking out a Retirement Interest Only mortgage may affect your tax position (both during your lifetime and on death) and/or your pension and entitlement to benefits. You will be in receipt of a lump cash sum as a result of equity being released from your property and The Cambridge recommends that you take independent legal/financial/tax advice on these points prior to applying for this loan. The Cambridge has not considered whether the benefits of taking out a Retirement Interest Only mortgage outweigh any adverse effects on your pension, benefits or tax affairs.
8. The Cambridge will assess affordability based on your forecast retirement income. We recommend that you take independent financial advice on your pension income, from a Citizens Advice offering Pension Wise guidance, for example, and consider the ability of a surviving spouse to pay the loan. You have a continuing credit obligation to make the monthly interest payments which should be considered if you plan to withdraw lump sums from your pension fund.
9. You can't sublet or lease any part of the property during the term of the Retirement Interest Only mortgage. This includes lodgers and any short term letting arrangements. All adult occupiers (other than the borrowers) will be required to sign The Cambridge's standard 'Form of Consent' (a copy of which will be provided to the borrower) postponing any rights that they might have in the property. They will be advised that they may wish to take legal advice on the implications of doing this.
10. The amount which you can expect to leave your beneficiaries when you die is likely to decrease when you release equity from your property. You may wish to discuss this with anyone that expects to benefit from your estate.

11. The Cambridge recommends that you consider setting up a Lasting Power of Attorney (LPA) and making a will.
12. The illustration has used a notional term of 40 years to calculate the illustrative Annual Percentage Rate of Charge.
13. A lifetime mortgage and other types of loan may be available and may be more appropriate to your circumstances.
14. The Cambridge may terminate the agreement if you fail to make your monthly interest payments or breach any of their standard mortgage terms and conditions.

If you don't understand any points please talk to your Mortgage Adviser or Mortgage Intermediary who has provided you with advice on the suitability of this mortgage.

DECLARATION

PLEASE USE BLOCK CAPITALS

I/we understand and agree to the above information and are happy to proceed on a Retirement Interest Only basis.

Applicant One	Applicant Two
Customer name (print):	Customer name (print):
Signature:	Signature:
Date:	Date: