

Equity release

Objective

At the end of this unit, candidates should be able to understand the:

- principles of equity release and the types of schemes available;
- suitability and affordability of the different types of equity release products;
- risks to the consumer associated with equity release;
- application of suitable equity release solutions according to the circumstances of different consumers.

Summary of learning outcomes	Number of questions in the examination*
1. Know the definition of equity release, home reversion plans, lifetime mortgages and alternative methods of equity release/capital raising	1
2. Understand the principles of equity release, the types of equity release schemes available and the circumstances for which such schemes might be appropriate	7
3. Understand the types of consumer at whom equity release is targeted and their personal requirements, wants and needs	4
4. Understand the circumstances in which equity release may be appropriate	4
5. Understand the impact on consumers' future options	5
6. Understand the key features, relative advantages and disadvantages of different types of equity release arrangements and principal alternatives	8
7. Understand the rules relating to State benefits and taxation, the sources of information and specialist advice regarding the implications on these of entering into an equity release arrangement	4
8. Analyse the suitability and affordability of the different types of equity release plans and the main alternatives for different types of consumer	6
9. Assess the advantages, disadvantages and potential risks to consumers associated with taking out equity release and when these might arise	6
10. Assess the relative levels of risk for different consumers taking account of their individual circumstances.	5
11. Apply suitable equity release solutions to the circumstances of different types of consumer.	25 case study related questions

* The test specification has an in-built element of flexibility. It is designed to be used as a guide for study and is not a statement of actual number of questions that will appear in every exam. However, the number of questions testing each learning outcome will generally be within the range plus or minus 2 of the number indicated.

Important notes

- Method of assessment: 50 multiple choice questions (MCQs) and 5 case studies, each comprising 5 MCQs. 2 hours are allowed for this examination.
- This syllabus will be examined from 1 September 2025 to 31 August 2026.
- Candidates will be examined on the basis of English law and practice in the tax year 2025/2026 unless otherwise stated.
- It should be assumed that all individuals have long-term UK residence status unless otherwise stated.

- This PDF document has been designed to be accessible with screen reader technology. If for accessibility reasons you require this document in an alternative format, please contact us on online.exams@cii.co.uk to discuss your needs.

- 1. Know the definition of equity release, home reversion plans, lifetime mortgages and alternative methods of equity release/ capital raising**
 - 1.1 Describe the main product definitions.
- 2. Understand the principles of equity release, the types of equity release schemes available and the circumstances for which such schemes might be appropriate**
 - 2.1 Describe the principles of equity release.
 - 2.2 Describe the different types of equity release schemes.
 - 2.3 Describe the market participants and their roles.
 - 2.4 Describe the relevant regulation applied to equity release schemes and home reversion plans.
 - 2.5 Compare the features of home reversion plans and lifetime mortgages in relation to other schemes.
- 3. Understand the types of consumer at whom equity release is targeted and their personal requirements, wants and needs**
 - 3.1 Describe the types of consumer at whom equity release is targeted.
 - 3.2 Explain the requirements for capital sums and extra income.
 - 3.3 Describe the suitability of equity release.
 - 3.4 Describe the eligibility criteria for home reversion plans.
- 4. Understand the circumstances in which equity release may be appropriate**
 - 4.1 Explain how consumer needs, health and individual circumstances, preferences and objectives inform and lead the advice process.
 - 4.2 Explain the importance of consumers taking independent legal advice and the FCA requirement to confirm consumers have done so.
 - 4.3 Compare the advantages and disadvantages of investing equity released for income and drawdown equity release.
- 5. Understand the impact on consumers' future options**
 - 5.1 Explain the impact of equity release on inheritance tax planning options, ability to vary and right to move.
 - 5.2 Explain the legal considerations which can impact on consumer options.
- 6. Understand the key features, relative advantages and disadvantages of different types of equity release arrangements and principal alternatives**
 - 6.1 Describe the key features of different types of equity release arrangements and principal alternatives.
 - 6.2 Explain the advantages and disadvantages of different types of equity release arrangements and principal alternatives.
- 7. Understand the rules relating to State benefits and taxation, the sources of information and specialist advice regarding the implications on these of entering into an equity release arrangement**
 - 7.1 Describe the conditions for eligibility for State benefits.
 - 7.2 Explain the impact of the rules of State benefits on equity release arrangements.
 - 7.3 Explain the impact of the rules of taxation on equity release arrangements.
- 8. Analyse the suitability and affordability of the different types of equity release plans and the main alternatives for different types of consumer**
 - 8.1 Determine the suitability and affordability of the different types of equity release plans and the main alternatives for different types of consumer.
- 9. Assess the advantages, disadvantages and potential risks to consumers associated with taking out equity release and when these might arise**
 - 9.1 Describe the advantages, disadvantages and potential risks to consumers associated with taking out equity release and when these might arise.
- 10. Assess the relative levels of risk for different consumers taking account of their individual circumstances**
 - 10.1 Assess the relative levels of risk for different consumers taking account of their individual circumstances.
- 11. Apply suitable equity release solutions to the circumstances of different types of consumer**
 - 11.1 Apply suitable equity release solutions to the circumstances of different types of consumer.

Additional resources

The following resources may assist you with your studies.

Note: The examination will test the syllabus alone.

Supporting information for the syllabus can be found on the unit page via the CII website. The resources found here: www.cii.co.uk/learning will help you keep up-to-date with developments and provide a wider coverage of syllabus topics.

Additional reading material can also be found referenced throughout the study text.

Learning support

Equity release. London: CII. Study text ER1.

Key Facts Booklet available at an additional cost. (delivered via RevisionMate)

Assessment information

Candidates should refer to the CII website for the latest information on changes to law and practice and when they will be examined:

1. Visit www.cii.co.uk/qualifications
2. Select the appropriate qualification
3. Select your unit from the list provided
4. Select qualification update on the right hand side of the page

Examination guide

The examination guide is available on the unit page via the CII website.

If you have a current study text enrolment, the current examination guide is included and is accessible via **RevisionMate** (ciigroup.org/login). Details of how to access RevisionMate are on the first page of your study text.

It is recommended that you only study from the most recent version of the examination guide.

Exam preparation

Exam preparation guidance and supporting exam documentation are available via the CII website. www.cii.co.uk/learning/qualifications/assessment-information