

# 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 2026 to 31 August 2027.
- Candidates will be examined on the basis of English law and practice in the tax year 2026/2027 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](mailto: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](http://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 in an appendix within 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](http://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** (). Details of how to access RevisionMate are on the first page of your study text.

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

## Exam preparation

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