

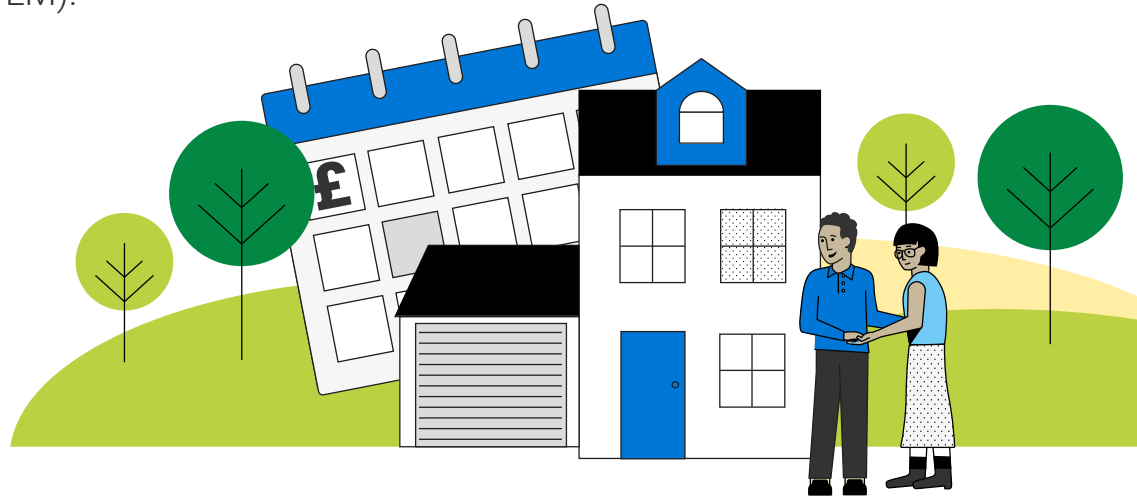


# Completing an affordability assessment for Payment Term Lifetime Mortgage

# Example

To illustrate how to input an income assessment, we'll use the example of Jean and Graham, aged 50 and 54.

Jean and Graham are both teachers and would like to know if they could be eligible for a Payment Term Lifetime Mortgage (PTLM).



## Step 1 Understand

- For how long your clients are able to make monthly payments for, this will determine the length of the payment term.
- What income your clients are currently receiving as well as future income they are not in receipt of yet. Including all sources of income for example:
  - Income from permanent employment
  - Income from self-employment
  - Income from fixed term contract employment
  - Income from pensions and income from investments, including rental income.

## Step 2 Assess pensions in payment

If any pensions are in payment, refer to the Assessing affordability sales aid, to understand what evidence you need to submit.

## Step 3 (Optional) Assess future pension

If any pensions are being received by your client or the payment term will cease after the customer's retirement, we will need to assess their income into retirement.

Refer to the **Assessing affordability – Pensions not yet in payment** sales aid to understand what evidence you need to submit.

## Step 4 (Optional) Contact us

To confirm how much we would be able to lend your client on their individual circumstances contact us using the details on page 4.

Enter the applicants' details into our PTLM affordability calculator. This will give you an indication of the amount your clients could borrow.

## Step 5

### Add the applicants' details into the portal

Now you've completed an initial assessment of your clients' income, you can input both applicants' details into the PTLM portal.

In the **Applicant Details** screen, enter their expected full-retirement date under the 'What date did the applicant retire or are they expecting to retire' question.

As both applicants are still working, in the **Applicant Employment Details** screen the 'Employment status' of the applicants must be 'Employed', 'Self-employed' or 'Fixed term contract'.

Now answer the question 'Does the applicant have any sources of Other income?' to input any other sources of income they currently receive, that are not a form of employment income (identified in Step 1). You will then be prompted to enter their state pensions.

If the payment term will take your client into retirement, you will be prompted to add the source of income into retirement.

The 'Applicant Details' form includes the following fields:

- Number of Applicants: Radio buttons for 1 (selected) and 2.
- Title: Select dropdown.
- First Name: Text input.
- Surname: Text input.
- Gender: Select dropdown.
- Date of birth: Text input.
- Current Age: Text input.
- What date did the applicant retire or are they expecting to retire: Text input.

The 'Primary Employment status' form includes the following fields:

- Employment status: Select dropdown with options: Select, Employed, Self Employed, Fixed Term Contract, Retired, Student, Homemaker, Not working.
- Other sources of income: Section header.
- Does the applicant have any sources of Other Income: Radio buttons for Yes (selected) and No.

The 'Other Income' form includes the following fields:

- Does the applicant have any sources of Other Income: Radio buttons for Yes (selected) and No.
- Other Income table with columns: Source, Annual Amount, Spousal Benefit (%), Delete.
- Source dropdown menu with options: Select, Universal credit, Bursary/Stipend, State pension, Pension – Flexi access income drawdown, Company/Occupational pension – Defined benefit/lifetime, Pension – non-escalating annuity, Pension – escalating annuity, Guaranteed investment income, Non-Guaranteed investment income, War widows pension, War disablement pension, Maintenance, Disability Benefit.
- Is this income and expenditure that are likely to affect their ability to meet their mortgage payments: Radio buttons for Yes and No (selected).

The 'Lending into Retirement' form includes the following fields:

- Does the applicant have any sources of income into retirement? Only applies to our Retirement Interest Only product: Radio buttons for Yes (selected) and No.
- Lending into Retirement table with columns: Source, Annual Amount, Spousal Benefit (%), Delete.
- Source dropdown menu with options: Select, State pension (not in receipt), Pension – Defined benefit (not in receipt), Pension – Defined contribution (not in receipt), Personal pension (not in receipt).
- Legal and General Home Finance's Lending into Retirement Policy can be viewed [here](#).

# Get in touch

To find out more, contact us using the details below, or speak to your dedicated account manager.

**Call:**

**03330 048 444**

Lines open Monday to Friday, 8.30am to 5.30pm.  
Call charges will vary. Calls may be recorded and monitored.

**Email:**

**[adviser.support@landghomefinance.com](mailto:adviser.support@landghomefinance.com)**

If you're contacting us by email, please remember not to send any personal, financial or banking information, because email is not a secure method of communication.

**Visit:**

**[legalandgeneral.com/adviser/get-in-touch](http://legalandgeneral.com/adviser/get-in-touch)**

**Legal & General Home Finance Limited** is a wholly owned subsidiary of Legal & General Group plc. Registered in England and Wales number 04896447. Registered office: One Coleman Street, London EC2R 5AA.

Legal & General Home Finance Limited is authorised and regulated by the Financial Conduct Authority.

DA2205 LG006779 01/25

