



SHIP SALE AND RENTBACK DO'S AND DON'TS:

When considering a Sale and Rentback scheme for your property, SHIP recommends that you consider the following points before taking action.

ESSENTIAL AND NON-COSTLY ACTIVITIES

Do:

- If you have an existing loan, speak with your lender if you are having problems meeting your monthly repayment.
- If you are having trouble with debt speak with an organisation such as the Citizens Advice Bureau (CAB), Payplan or the National Debt Helpline before you do anything else.
- If feasible do consult your family about your intentions.
- Check out the company you are thinking of using. Are they regulated by the Financial Services Authority (FSA)? If not, you may not have rights to redress if things go wrong and you could end up evicted if the company goes bust.
- Check the type of tenancy agreement you are being offered. Many sale and rent back schemes offer very little security. You are better off with a lifetime lease (or a minimum of 21 years) as opposed to an assured short hold tenancy agreement which will offer no security of tenure and may result in a higher rent being charged at the end of the initial 6 months, or worse eviction.

Don't:

- Forget to think about your future financial, family and life plans along with any ongoing commitments.
- Don't be pressurized - if in difficulty with debt, speak with the companies you owe money to sooner rather than later.
- Don't forget that the monthly rent is a commitment you may not be able to keep up, and that the amount of rent is likely to increase in the future. There is no guarantee you will get housing benefit to cover this rental cost, no matter what the Sale and Rentback company tells you.
- Don't forget to check if you are eligible for any state benefits or grants from the Department of Work and Pensions and your local council.
- Don't assume everything you are being told is correct, get it checked out and don't rush into any agreements.

COSTLY BUT IMPORTANT ACTIVITIES

- Speak with a qualified financial adviser who will discuss your options with you.
- Get independent legal advice.
- Get an independent valuation of your property arranged by you – the valuation of the Sale and Rentback company may not be accurate.

EXPLORE THE ALTERNATIVES

- Consider other alternatives such as trading down, family help, renting a room or any savings or policies you could use first.
- If you are aged over 55 and looking to release equity from your property then consider the safer option of regulated plans offered by SHIP members. All SHIP members are regulated by the FSA and have extra safeguards above the regulatory requirements to give you additional protection.

USEFUL CONTACT DETAILS

Citizens Advice Bureau:

www.adviceguide.org.uk

Tel: 020 7833 2181

National Debt Helpline:

www.nationaldebtline.co.uk

Tel: 0808 808 4000

Financial Services Authority:

www.fsa.gov.uk

Tel: 0845 606 1234

SHIP:

www.ship-ltd.org

Tel: 0870 241 60 60

Department of Work and Pensions:

www.dwp.gov.uk

Tel: 0800 88 22 00