



BARONESS HOLLIS CALLS FOR GOVERNMENT REVIEW INTO USES OF EQUITY RELEASE FOR RETIREMENT FUNDING

"Equity release meets a truly urgent social need in the most decent way possible"

28th July 2009: Baroness Patricia Hollis yesterday led calls for a formal government review into the use of equity release for retirement funding. Speaking in London at the launch of a Discussion Paper by SHIP, the equity release trade body in conjunction with Ernst and Young, Baroness Hollis commented:

"It is rare for the public and private interests to coincide as they do with equity release. Equity release meets a truly urgent social need in the most decent way possible- government ministers should be singing its praises, and making it a core part of retirement funding planning.

"This report is a crucial first step in bringing equity release into the public policy arena. I recommend that equity release should develop partnerships with local government, and specialists in other areas to develop SHIP 'kitemarked' products. Finally, alongside a formal review of the industry, a government department should take responsibility for equity release and make sure that it is a major player at the table. Equity release must be transformed from a distress option, and taken mainstream."

The Discussion Paper, entitled 'Facing the Future, Redefining Equity Release to meet today's social and economic challenges' saw leading industry figures gather to debate the role that housing equity could play in retirement funding. Individuals such as Mervyn Kohler of Age Concern and Help the Aged and Fay Goddard of the Personal Finance Society gathered with other key influencers to discuss the severe funding shortfall currently facing pensioners.



Andrea Rozario, Director General of SHIP, commented on Baroness Hollis' speech: "It is fantastic to see the support that equity release is garnering amongst senior political figures. We welcome Baroness Hollis' calls for the government to seriously consider the use of housing equity as a major source for retirement funding in the UK.

"The recent Social Care Green Paper failed to recognise the £700 billion in unmortgaged housing wealth currently held by the over 65's. Government backed equity release could significantly ease the pressure on the state to subsidise retirement funding, whilst allowing many pensioners the financial freedom to enjoy their retirement.

"SHIP is looking forward to working with the Government, the FSA and other key stakeholders to determine the future shape of the equity release industry".

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About SHIP Equity Release:

Safe Home Income Plans (SHIP) is the UK's leading professional body for equity release product providers. launched in 1991 to promote safe plans, SHIP is dedicated to the protection of the planholder and the safe growth of the industry. SHIP represents approximately 90% of the providers in the UK.