



EQUITY RELEASE IS KEY SOLUTION FOR RETIREMENT FUNDING CRISIS

All Party Parliamentary Group Shows Support For Use Of Housing Equity In Retirement

(8th March 2010) A prominent All Party Parliamentary Group* convened last week to discuss equity release providing a key retirement funding source, meeting the financial deficit facing Britain's ageing population.

The All Party Parliamentary Group, focusing on Insurance and Financial Services and led by Baroness Hollis of Heigham, identified many key issues that required government attention including:

- The urgent need for initiatives to increase the public trust in the equity release market
- The need to ensure and maintain a high standard of advice to support the growing demand
- The requirement for government to go further in their support for the industry as a key retirement funding solution

Commenting on the meeting, Andrea Rozario, Director General of Safe Home Income Plans, said,

"It is gratifying to see housing equity taking its place in the mainstream retirement funding canon. Last night's All Party Parliamentary Group produced some excellent debate, recognizing the financial challenges that Britain's older generations face. Of course, developments must be made and challenges lie ahead for providers, distributors, government and consumers alike - but the debate produced by this Group is the first vital step in bringing equity release much closer to the heart of government thinking.

"SHIP remains committed to changing the way that the equity release industry has historically been perceived. Equity release products represent a real and immediate solution to financial problems facing older people every day. Our work has led to recognition from both major political parties. We will continue to build on this success to provide a product and a solution that is both safe and very necessary."

The government's White Paper on the future of social care is expected this month. A copy of SHIP's report 'Facing The Future: Redefining Equity Release To Meet Today's Social And Economic Challenges' is available at <http://www.ship-ltd.org/uploads/shipdocfinal3.pdf>.



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Notes to Editors:

*An All-Party Parliamentary Group (APPG) is a grouping in the UK composed of politicians from all political parties. This group comprised of Baroness Hollis of Heigham, Dr Stephen Ladyman, Lord Davies of Coity, Baroness Gardner of Parkes, Baroness Turner of Camden, Baroness Andrews, Lord Best and Malcolm Moss MP.

About SHIP Equity Release:

Safe Home Income Plans (SHIP) is the UK's trade 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.

All equity release products are fully regulated by the Financial Services Authority and any intermediary who advises on them needs to have relevant qualifications. In addition, SHIP offers a code of conduct for its members which provide the following guarantees:

- To allow customers to remain in their property for life provided the property remains their main residence.
- To provide customers with fair, simple and complete presentations of their plans. This means that the benefits and limitations of the product together with any obligations on the part of the customer are clearly set out in their literature. It should include all costs that the customer has to bear in setting up the plan as well as the tax implications, their position on moving house and the effects of changes in house values on their loan.
- The right to move their plan to another suitable property without any financial penalty
- The right for the customer to choose an independent solicitor of their own choice to conduct their legal work. The firm must provide the solicitor with full details of the benefits their client will receive prior to the completion of the plan. The solicitor only signs a certificate once he or she is satisfied that their client fully understands the risks and benefits of the plan.
- The SHIP certificate signed by the solicitor is there to ensure clients are aware of the terms and implications of the plan including the impact of equity release on their estate.
- All SHIP plans carry a no negative equity guarantee. This means customers will never owe more than the value of their home and no debt will ever be left to the estate.