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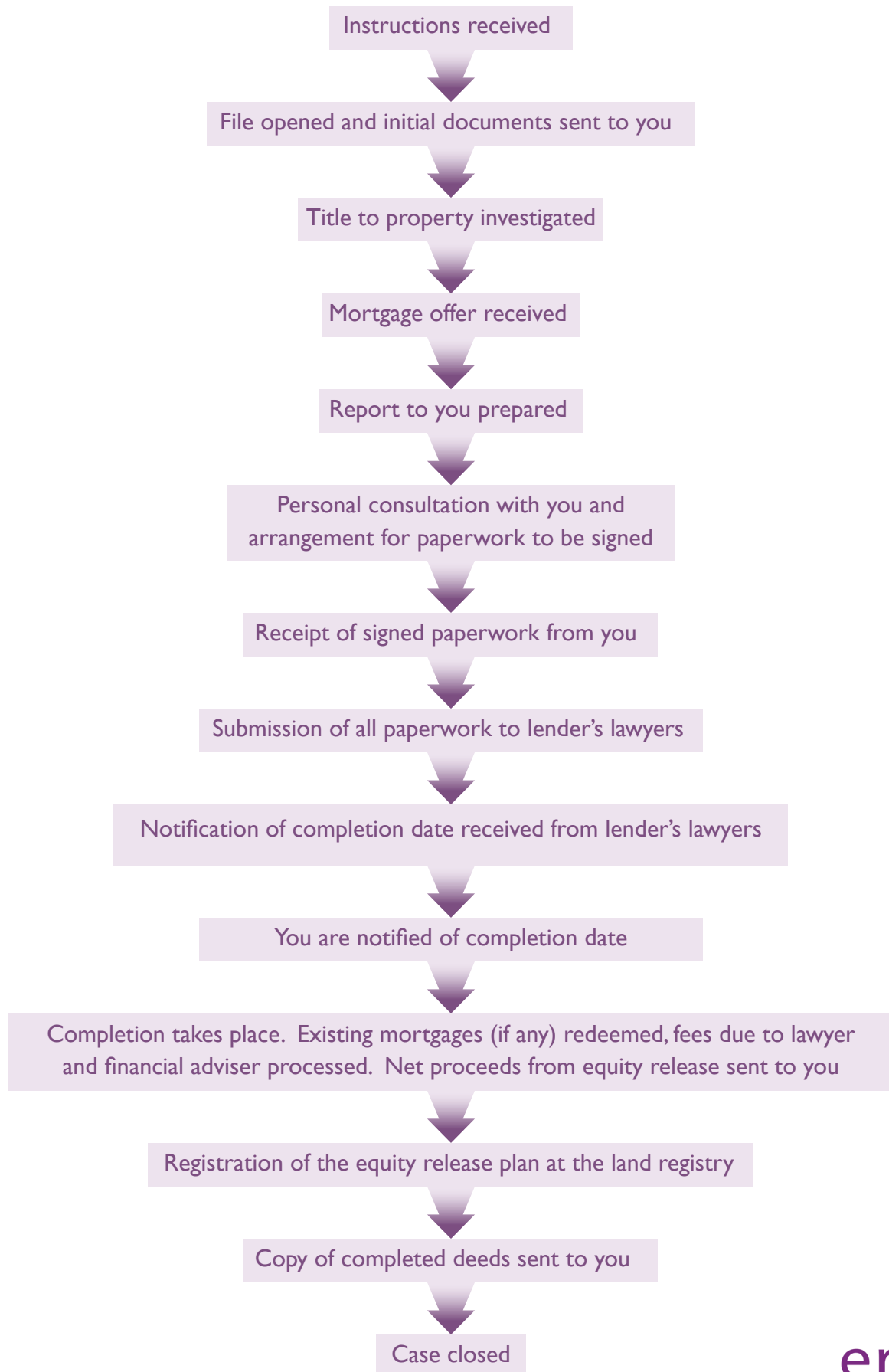


what is independent legal advice?

Obtain independent legal advice

If you are considering equity release, it is important that you instruct a solicitor immediately to guide you through the process, to ascertain that your home is of a type acceptable to an equity release provider and to check the title to ensure that there are no issues that may prevent it being used as security.

A Step by Step Guide to the Legal Process can be found on the next page.



It is important that you choose the right solicitor to act for you in the equity release. The Law society has a list of solicitors who specialise in conveyancing, however, that list does not specifically identify those solicitors or firms which have expertise in equity release.

All qualified solicitors are required to operate at the highest level of integrity. Law is one of the most highly regulated professions. However, equity release is a specialist subject and employing a solicitor who has expert understanding of the products is vital to receiving good legal advice.

Solicitors who have invested the time and money in getting to know about equity release will offer an enhanced, efficient and client-friendly service. These solicitors are already aware of the products that are available to you and will not have to spend a vast amount of time converting the offer into a meaningful report for you. Unfamiliar solicitors will have to start from scratch, which is time consuming and costly. Experts have invested in case management systems so that product information is readily available, so where an unfamiliar solicitor can take weeks to make contact with you with his findings, the expert will usually do so within 24 hours.

This investment in case management technology means that your file will not languish, forgotten in the bottom of a filing cabinet. Every task is diarised electronically and cases are progressed at the speed that you require. Certainly, unless you want to move more slowly, there is generally no reason why a straightforward case should not complete within 3 weeks of receiving the offer. The industry average is around 6-8 weeks.

Non-specialist solicitors will also usually quote a higher fee than an expert to deal with an equity release case. This is because the non-familiar solicitor

has to look at the paperwork from a standing start and, as such, it takes a long time to convert into a report. A solicitor's hourly rate will often be over £200 plus VAT. For the expert solicitor, the products have already been converted into report format so they take much less time to deal with and a competitive fixed fee can be offered.

Equity Release Solicitors Alliance (ERSA)

The Equity Release Solicitors Alliance (ERSA) is a group of established law firms which specialise within the area of equity release. They have joined together to promote the need for homeowners to have access to independent, competitively-priced expert legal advice before they take up an equity release plan.

There are very few law firms in England and Wales who deal with any significant volume of equity release cases, and even fewer who have the specialist knowledge required to ensure homeowners receive the best legal advice. ERSA members have committed extensive resources to equity release where other law firms have failed to do so. Equity release is set to grow and it is essential that homeowners and financial advisers know where to find expert solicitors in this sector.

what advice should i expect to receive from my financial adviser?

Your financial adviser is under a duty to do a comprehensive factfind, looking into the entirety of your circumstances and considering all alternative sources of funds, before recommending a particular equity release scheme. This would have included assessing the impact of the particular scheme on any eligibility for welfare benefits claimed by you, and ought to entail advice as to alternative sources, such as grants from local authorities or central government.

It is important that you consult an independent financial adviser when considering equity release as there are many different types of schemes available.

What advice should I expect to receive from my solicitor?

The solicitor's role is to deal with the conveyancing process and reporting to you on the terms, meaning and effect of the documentation. Your solicitor will not normally comment on what you have already decided to do, however, if during your dealings with your solicitor there appear to be doubts as to the wisdom of the transaction or the suitability of the product, your solicitor will refer you back to your financial adviser for further and better advice.

Your solicitor cannot give you detailed financial advice unless he or she is authorised to do so by the Financial Services Authority.

There are other important legal issues you will need to consider when looking at equity release, and in particular:

Making or reviewing your Will

This is an essential step in estate planning to reflect the change in your financial circumstances. It will give you peace of mind knowing that you have made suitable arrangements regarding the administration of your estate and will set out clearly who is to inherit - avoiding disputes between relatives and incurring unnecessary legal costs.

Lasting Power of Attorney

You should consider making a Lasting Power of Attorney to ensure that there is someone in place to make decisions for you should you become mentally or physically incapable. This is particularly important if you wish to move to another property or into care in the future. You can choose to give someone authority to make decisions regarding your property and affairs as well as decisions relating to your personal welfare, including healthcare and medical decisions.

Long-term care

The risk of losing the family home and savings to fund long-term care is now far greater than the threat of Inheritance Tax for most people. When looking at releasing equity from your home, consideration should also be given to planning for the future and protecting your home and savings should you be admitted into care.

Making or reviewing your Will

Here are some questions you should consider asking your solicitor:

- Do you approve of, and are able to give advice on, equity release?
- Do you deal with equity release cases on a regular basis?
- Are you aware of the various products that are available and how they work?
- Will you be providing me with a detailed report on the meaning and effect of entering into the equity release scheme?
- Will I have a personal consultation with a suitably qualified person?
- How long will it take you to complete from the date you receive instructions from the equity release provider?
- What are your fees in dealing with the matter?
- Are you a member of any professional group that specialises within the area of equity release?

The Difference between a Specialist Solicitor and Non-Specialist

Guarantee	ERSA Member	Non-Specialist Law Firm
Regulated by Solicitors Regulation Authority	√	√
Ability to accept equity release instructions	√	√
Work to agreed Service Level Agreements within equity release	√	
Specialist lawyer	√	
Full knowledge of equity release products	√	
Specific tailored paperwork	√	
Fixed Price	√	
No completion no fee guarantee	√	
Secure on line equity release case tracking facility	√	
Up to date knowledge of elder client issues	√	

contact us

For general enquiries please email
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or Freephone 0800 988 5102



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