



## MCOB 9 Annex 2R

The illustration: table of contents, prescribed text and prescribed section headings and sub-headings.

1. This annex forms part of *MCOB 9.4.2R*.
2. Text in square brackets indicates instructions that must not be included in the *illustrations* provided to *customers*.

	about this home reversion plan
<p><b>Personalised information on a home reversion plan for</b> [insert <i>customer's</i> n <i>MCOB 9.4.17R(1))</i>]</p> <p><b>Date produced:</b> [insert date (see <i>MCOB 9.4.17R(2))</i>]</p> <p>[Insert details of how long the <i>illustration</i> is valid for, and, if appropriate, needs to commence by (see <i>MCOB 9.4.17R(3)</i>)]</p>  <p>Alpha Beta Properties</p>	

This is not a legally binding offer of a home reversion plan and it does not oblige [insert name of the *reversion provider*] to provide you with the home reversion plan described in this illustration.

### 1. About this information

We are required by the Financial Services Authority (FSA) - the independent watchdog that regulates financial services - to provide you with this illustration.

All firms selling home reversion plans are required to give you illustrations like this one, containing similar information presented in the same way.

Ask for other illustrations if you want to compare this home reversion plan with other products designed to release equity from your home.

The Consumer Financial Education Body (CFEB) provides useful information on ways of releasing equity from your home in a booklet called 'Raising money from your home'. You can get this free through the CFEB website [www.moneymadeclear.org.uk](http://www.moneymadeclear.org.uk) or by calling 0300 500 5000.

## 2. Which service are we providing you with?

We recommend, having assessed your needs, that you take out this home reversion plan.

We are not recommending a particular home reversion plan for you. However, based on your answers to some questions, we are giving you information about this home reversion plan so that you can make your own choice or find out about other ways in which you may be able to release equity from your home.

## 3. What is a home reversion plan?

### How home reversions work

- A home reversion is an arrangement designed to run for the rest of your life or until the occurrence of certain events. You sell all or part of your home to give you a lump sum and/or an income. **You no longer own your home** (or the part of it that you have sold) but you have the right to live there, for the rest of your life or until the occurrence of certain events, [insert capacity in which the *customer* will occupy the premises, e.g. “as the tenant of the firm or person who bought it”]. We call this person or firm “the reversion provider”. At the end of the plan (this is explained below), the property is put up for sale by the provider. If you sold only part of your home, the value of the part you did not sell is paid to you or your estate.
- The amount you receive for your property, or the portion of it that you sell, will normally be less than its market value. This will reflect factors such as your age, the value of your property and how much property prices are expected to change in the future.
- You may be required to pay rent. This is usually a token sum but it may be more.

### Income Plans

- Some home reversions give you an income instead of, or as well as, a lump sum. If an income option is available, your adviser will tell you how it would work and how much you would receive and for how long.

### When does a home reversion plan end?

- This depends on the terms of the plan but will usually include death or where you (or, in the case of a joint plan, the survivor) move out permanently, for example into long-term residential care. The property will be put up for sale by the provider and the value of any part you do not sell to the provider will be paid to you or your estate. See also “Cancelling a home reversion”, below.

### **Moving home**

- Not all home reversion plans can be transferred to a new property, if you should want to move home in the future. Section 5 will tell you if this plan cannot be transferred. You may incur costs with such a transfer, such as fees for a solicitor or surveyor. If you think you may want to move home in the future, check to see if the plan can be transferred before taking out the plan.

### **Cancelling a home reversion plan**

- A home reversion plan is designed to run for the rest of your life or until the occurrence of certain events. However, if you decide that you no longer want the plan, it may be possible to buy back the property but this is likely to be at the full market rate at the time and may cost you more than you received for it under the reversion plan. Section 11 will tell you if you can buy back your property.

#### **4. What you have told us**

See *MCOB 9.4.136R – MCOB 9.4.138G*

#### **5. Description of this home reversion plan**

See *MCOB 9.4.139R – MCOB 9.4.141G*

#### **6. Benefits**

See *MCOB 9.4.142R – MCOB 9.4.144G*

**£X**

#### **7. Risks -important things that you must consider**

See *MCOB 9.4.145R – MCOB 9.4.147R*

<b>8. What you will have to pay and when</b>	[insert frequency of payments – see <i>MCOB 9.4.148R</i> ]
See <i>MCOB 9.4.148R – MCOB 9.4.151R</i>	£X

<b>9. What fees must you pay?</b>	<b>Fee amount</b>
See <i>MCOB 9.4.152R – MCOB 9.4.158R</i>	[insert amount of each fee]

<b>10. Insurance</b>	[insert frequency of payments for premium quoted payments]
See <i>MCOB 9.4.159R– MCOB 9.4.166G</i>	£X

<b>11. What happens if you do not want this home reversion plan any more?</b>
See <i>MCOB 9.4.167R</i>

<b>12. Using a home reversion intermediary</b>
This section is required only when the <i>illustration</i> is provided to a <i>customer</i> by a <i>reversion intermediary</i> . If the <i>illustration</i> is provided by a <i>reversion provider</i> , this section must be removed.
See <i>MCOB 9.4.168R – MCOB 9.4.174G</i>

### Contact details

See *MCOB 9.4.175R* and *MCOB 9.4.176G*