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EQUITY RELEASE NEWSLETTER July 07

Regulation of Home Reversion Plans

From the 6 April 2007 Home Reversion Plans became regulated by the Financial Services Authority. This has the effect of increasing protection for consumers and ensuring that the consumer receives good quality advice from their Financial Adviser or Intermediary taking into account their circumstances and needs. Regulation will also prevent rogue plan providers offering services to what is considered to be a vulnerable section of society.

Home Reversion Plans are a relatively small percentage of the Equity Release market, however as they involve a sale of part or the whole of a property, they can be quite daunting to those entering into the plans. The regulation of home reversion plans will ensure that consumers are afforded the same protection as those taking out a lifetime mortgage and indeed any other mainstream mortgage on offer in the marketplace.

Financial Advisers and Intermediaries need to ensure that those undertaking an equity release plan receive comprehensive independent legal advice, and that they are made aware of all the obligations that they will be taking on when entering into a Home Reversion Plan or Lifetime Mortgage.

At SGH, we act

- For clients undertaking Equity Release Transactions from Lifetime Mortgages to Home Reversion Plans.
- For Intermediaries and financial advisers providing advice on the legal aspects of individual plans.

SGH are on the panel of a major Equity Release Referral Agent and we deal with the schemes that are available in the current market from the different providers and have detailed knowledge of the intricacies of each different plan.

We have recently drafted Terms and Conditions for plan providers.

By utilising our services, you can ensure that;

- Your clients are receiving advice from practitioners who have extensive experience of the Equity Release Market and who act for clients undertaking a variety of plans.
- You will be given a direct dial number and email address at the outset of a transaction.
- You and your client will have a dedicated case handler who will be available to assist both of you with any queries at any stage of the transaction.
- You will have access to specialist advice when required.
- It is possible to track the progress of your clients matter (with your clients consent) online via our viewing platform.
- We have bespoke case management systems in place which enables us to service volume work at a high and efficient standard.
- Your clients will receive comprehensive 'Plain English' legal advice on their transaction.

If you would like to discuss the services that we are able to offer you and your clients, please contact Ross Milnes at rossm@sghlaw.com or telephone 0207 544 5624.

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