

## Top 5 Equity Release Myths

Recent research from [Safe Home Income Plans](#) (SHIP) has found a lack of understanding of the mechanics of equity release among consumers. The research found a worrying number of myths about equity release are still ingrained in consumer thinking. However, despite these misconceptions people have not ruled out equity release, with 49% saying equity release should be explored as a retirement planning option and one in five (20%) saying they intend to use equity release products in the future. The list below shows the most common myths about equity release as revealed by the research:

- *Myth – 1 You risk losing your home* (69% of UK consumers believe this) *Truth* You can remain in your property for life provided the property remains your main residence
- *Myth – 2 You won't be able to leave an inheritance* (67%) *Truth* When you die or move into long-term care, your home is sold and the money is used to pay off the loan. Anything leftover goes to your beneficiaries
- *Myth – 3 You won't be able to move home* (52%) *Truth* You have the right to move your plan to another suitable property without any financial penalty
- *Myth – 4 Equity release is unsafe and unregulated* (47%) *Truth* As regulated companies, all SHIP members must abide by a strict complaints procedure to satisfy the Financial Services Authority
- *Myth - 5 Your children will have to repay the loan themselves* (43%) *Truth* You will never owe more than the value of your home and no debt will ever be left to the estate