

Bower Retirement Services Suggests Equity Release as an Alternative to Gilts

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Government issued gilts have historically been the safest forms of investment. Issued by the British government to fund national borrowing, risks are low and returns have – until relatively recently – been attractive. However, there has been a drastic reduction in gilt rates lately and this is having a disastrous affect on retirees relying on income drawdown to annuities to fund their retirement.

Most other savings methods are proving to be just as fruitless. Interest rates remain low and standard unsecured borrowing is not an option for retirees. However, Bower Retirement Services suggests a viable alternative.

Equity release (<http://www.brsequity.co.uk/>) allows homeowners to release cash locked up in the bricks and mortar of their home. Equity release firms lend homeowners money based on the value of their property. Bower Retirement Services has created an equity release calculator (<http://www.brsequity.co.uk/equity-release-calculator/>) to help homeowners ascertain just how much they can expect to receive.

There are several different types of equity release scheme available, however the best solution for retirees is often the lifetime mortgage with flexible cash release option.

Homeowners borrow a percentage of their property's value. This amount is awarded, by the equity release provider, in a lump sum. Additionally, regular cash withdrawals can be taken out at an amount, frequency and over a time period specified by the homeowners. Interest is added, just as with any loan, but there are no monthly repayments – making it an ideal solution to retirees without a regular income. The balance, including interest, is repaid when the surviving homeowner dies or moves into permanent long term care.

There are other equity release options available – four in total – and Bower Retirement Services can help homeowners pick the right plan to suit their needs. It thoroughly checks all the equity release providers it works with to ensure they meet high industry standards.

Bower Retirement Services has won numerous awards as an equity release advisor and has helped thousands of retirees release equity from their homes, providing them with a stopgap until gilt rates return to normal.