

Interest-only

Intergenerational lending case study

An Interest-only mortgage allows David and Ellie to release equity from their home and buy a property for their son, Andrew, while he's at university.

David (55) is a company director and Ellie (49) is an HR director for an accountancy firm. They're keen to support their son Andrew by buying him an apartment as an investment whilst he's at university. They'll save money because they won't be paying out a large amount on rent, leaving Andrew the time to focus on his studies and ambition of becoming a doctor.

They want to release some capital from their home



Income
£185,000 (joint)



Property value
£700,000 (mortgage-free)



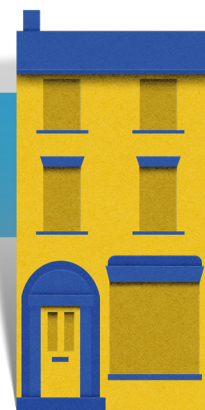
Pension
£400,000 (combined guaranteed payment)



Reduced monthly payments

Taking out an Interest-only mortgage is a much more cost effective way of supporting Andrew through university than simply paying his rent. And buying an apartment as an investment gives them options for the future once Andrew has finished university.

Mortgage amount
£150,000



David and Ellie have a number of assets and are happy to use their combined guaranteed pension payment to repay the mortgage.

They're able to borrow £150,000, and they meet our criteria for Interest-only by leaving more than £300,000 equity in the property and not exceeding an LTV of 50%.



0800 121 7788 Monday to Friday 9am - 5pm



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Your client's home may be repossessed if they do not keep up repayments on their mortgage.

Coventry Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority (firm reference number 150892 www.fca.org.uk).

Mortgages are subject to acceptance in accordance with our lending criteria. The information in this leaflet is provided for your information only and should not be taken as advice. Legally binding terms and conditions can be found in the mortgage application declaration, the terms and conditions of your mortgage offer and in our mortgage terms and conditions. For more information contact Coventry Building Society.

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