

Later Life Lending: It's more than just equity release or retirement interest only (RIO).



Liz Pearson, Head of Operations, Chorley Building Society, explores Later Life mortgages as an alternative to equity release and RIO mortgages.

a broker is meeting client needs and potentially expanding business opportunities in this growing segment.

There are many reasons why an older borrower might require a mortgage. A few examples that we hear at Chorley Building Society include, not wanting to downsize (as they planned) due to retiring later than anticipated or providing childcare for grandchildren and still needing additional space, wanting to be able to give a cash deposit for their children to buy a home and having to extend their mortgage term due to a shortfall in a repayment strategy.

At Chorley Building Society, we always take a flexible approach to lending, manually underwriting every case. Our later life mortgages are available up to age 90 on a repayment basis and 85 for interest only or part and part. Here's an example of a recent case:

Mr & Mrs (age 65 & 70) came to the end of their Interest Only mortgage with a high street lender and were unable to fully repay their loan due to a shortfall in their repayment strategy. This has been their lifelong family home and they didn't want to have to sell it as they reached retirement. The ideal solution was to switch to Capital and Interest and repay their mortgage over a 10 year term. To assist the affordability assessment their son and daughter in law agreed to support them on a Joint Borrower Sole Proprietor basis. The combined income meant there was more than enough income to support the mortgage over a 10-year term. Mr & Mrs X were able to stay in their lifelong family home.

Reasons to offer your client a Later Life mortgage

Enhanced retention and referral – offering later life mortgage advice positions brokers as holistic, lifelong advisors. By meeting the evolving needs of older clients, brokers can strengthen client relationships, retain business over time and benefit from word-of-mouth referrals.

Compliance and consumer duty – later life mortgage advice fits well with the FCAs Consumer Duty framework. When placed correctly, these products demonstrate that brokers are delivering fair value and good outcomes.

Later Life mortgages are no longer niche – they're essential. With property wealth concentrated among the over 55s and traditional retirement models shifting, brokers who understand and engage with this market are better positioned to grow their business and deliver long-term value to their clients.

We're more than happy to discuss any case that you may have that involves an older borrower. Our team have a wealth of experience understanding complex cases.

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As the UK population ages and life expectancy increases, later life lending has become an essential part of the mortgage landscape and a broker's toolkit.

According to the Office for National Statistics, life expectancy at 65 was 18.5 years for males and 21.0 years for females during 2021 to 2023. This means that people are living well into their 80s and beyond. We also know that the number of people aged over 85 is projected to nearly double to 3.3million by 2047. This highlights the growing need for financial products that support longer retirements.

We know that brokers often think that equity release or RIO are the only options to an older borrower, but there are later life lending mortgages, which are standard residential mortgages, that offer terms far beyond what is considered a normal retirement age and add to the brokers toolkit of options.

It's important that all brokers understand these standard later life mortgages, as they can offer them even if they are not equity release qualified.

By understanding the unique advantages of a later life mortgage,