

Why do I need independent legal advice?



FACT SHEET

Independent legal advice for a reverse mortgage loan

If you are considering taking out a reverse mortgage loan it is important to understand that as part of the process, **all Australian lenders of reverse mortgage loans require borrowers to receive independent legal advice** before entering into a loan contract.

This is to ensure that you fully understand the terms of the loan contract that you are entering.

What is independent legal advice?

Independent legal advice (ILA) involves consulting **a qualified legal professional** who will review your loan contract with you, explain the terms and conditions, and ensure you understand your rights and obligations before signing.

Your legal professional, engaged by you, works **solely in your best interests** and is completely separate from Your Home Equity and the lender.

Their role is to provide **unbiased guidance** so that you can confidently proceed with your loan decision.

How does it work?

1. Choose a lawyer

- You can nominate your own lawyer if you have one.



- If needed, we can assist you by providing you with a list of qualified legal professionals who regularly provide this service.

2. Receive your loan documents

- The loan contract will be sent directly to you and/or your lawyer by the lender.

3. Legal consultation

- Your lawyer will take you through the contract, ensuring you understand:
 - Loan terms and conditions
 - Interest rates and fees
 - Repayment obligations and potential long-term impacts

- Your rights and protections, including the **No Negative Equity Guarantee** and **Lifetime Occupancy Guarantee**
- Any other matters on a case-by-case basis

4. Signing & submission

- Once you are confident and fully informed, you will sign the documents.
- Depending on the lender, either you or your lawyer will then submit the signed documents back to the lender to finalise the process.
- There are cases where you and/or your lawyer will be required to send paper copies of the loan documentation back to the lender or their settlement agent.

Why is independent legal advice important ?

- **Clarity & confidence** – Ensures you understand the terms of your loan contract and your obligations before committing.
- **Mandatory requirement** – It's a mandatory requirement of all reverse mortgage lenders to receive ILA before proceeding.

Finding a lawyer

If you do not have a preferred lawyer, we can provide a list of legal professionals who are experienced in providing independent legal advice for reverse mortgage borrowers.

Important Note: These legal firms operate independently from Your Home Equity and the lenders.

We do not recommend any specific provider, nor do we receive any commission, payment, or benefit from providing our list of lawyers to you.

We provide this information as a guide only, and we encourage you to conduct your own due diligence when selecting legal representation.

Next steps

1. **Contact your preferred lawyer.**
2. **Engage your lawyer for the specific task of providing you with legal advice in relation to your reverse mortgage loan documents and have them confirm that this is advice that they are willing to provide.**
3. **Let us know who you have selected so we can arrange the electronic delivery of the loan documents to you and your selected lawyer (we'll send you a form to collect this information).**
4. **Once the loan documents have been issued to you and your lawyer, arrange an appointment to review your loan contract.**
5. **Complete your legal consultation and sign the necessary documents.**
6. **Submit your signed documents to the lender to proceed with your loan.**

For assistance in finding a legal professional or if you have any questions about the process, contact Your Home Equity today— we're here to help.





Protections for borrowers

Reverse mortgages in Australia are strictly regulated by the government to protect borrowers and ensure transparency. Some key protections include:

- **No Negative Equity Guarantee (NNEG):** This legal safeguard ensures that you can never owe more than the value of your home. Even if property prices fall, you or your estate will not be liable for any shortfall when the home is sold.
- **Ownership rights:** You retain full ownership of your home. The lender does not take over the property, and the title deed remains in your name. You are free to sell your home at any time and repay the loan without penalties (though settlement and mortgage discharge fees may apply).
- **Clear terms and conditions:** All reverse mortgages come with clear terms, including transparency around interest rates, fees, and potential risks, so you know exactly what you're agreeing to.

These protections are designed to ensure that reverse mortgages are a safe and viable option for older Australians looking to access their home equity.

Your Home Equity - Reverse Mortgage Brokers

At Your Home Equity, we specialise in reverse mortgage broking for Australians over 55.

This is our sole focus, and we have more than 14 years of combined experience helping clients navigate their financial options in retirement.

What sets us apart:

- **We work for you, not the lenders:** As specialist brokers, our role is to find the best reverse mortgage product for your unique situation. We're accredited with Australia's leading reverse mortgage lenders, which gives us access to a wide range of options tailored to your needs.
- **Expertise and compassion:** We understand that the decision to take out a reverse mortgage is a significant one, and we're here to provide guidance without pressure. Our process is client-focused, ensuring that you feel comfortable, informed, and supported every step of the way.
- **No obligation consultations:** We offer no-obligation consultations, so you can explore your options and ask questions without feeling pressured to commit.

We're here to make sure you have all the information you need to make a confident, informed decision.

Our mission is simple: to help older Australians live well in their retirement by accessing the wealth they've built in their homes.

Whether you're looking to refinance, consolidate debt, top up your income, or fund home improvements, we're here to guide you through the process.

General Disclaimer

The information provided is correct to the best of our knowledge, but no warranty as to accuracy is given and each person or organisation should not act on the basis of its contents without taking appropriate advice.

The information in this guide is general in nature and has been prepared without taking into account the needs, objectives, or financial situation of any particular individual. Individuals should consider their own circumstances and, if necessary, seek professional advice.

All reverse mortgage products are subject to the terms, conditions and approval of the providers and fees and charges apply.

Please note that while the information set out in this guide is considered to be true and correct at the date of publication (08/02/2025), changes in circumstances after the time of publication may impact on the accuracy of information.

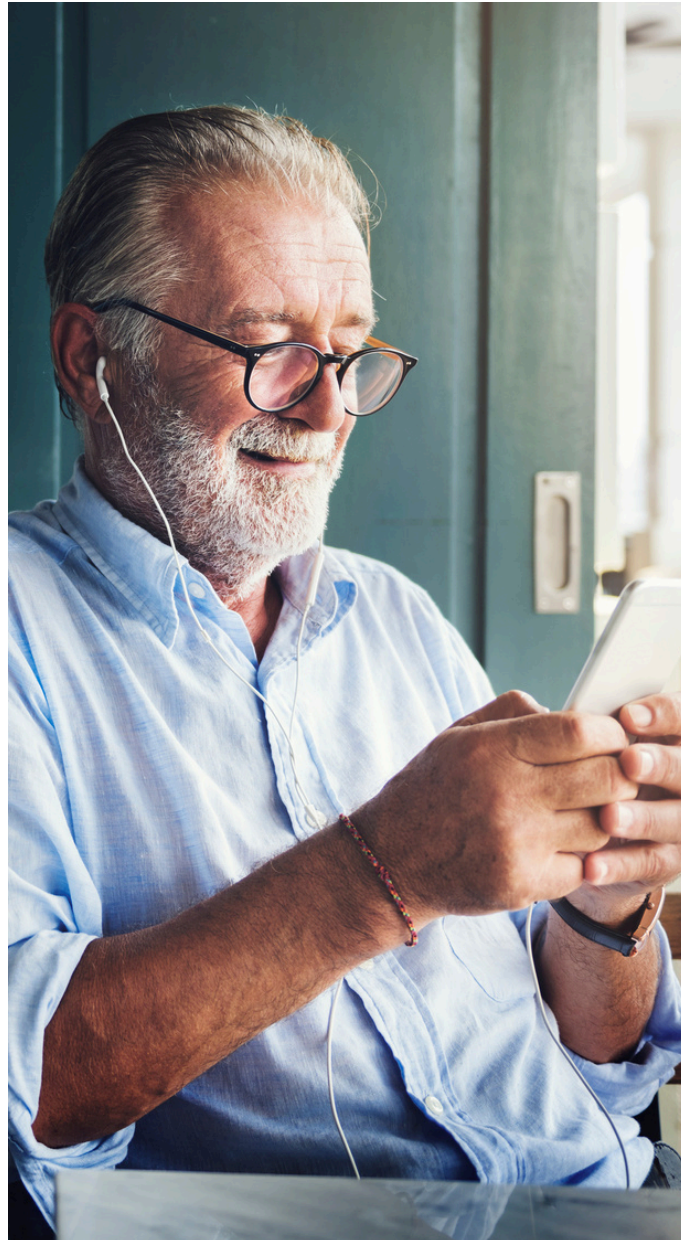
Contact Us

If you like any further information, or would like to discuss your situation, we'd be delighted to help.

E: hello@yourhomeequity.com.au

P: 08 6285 9815

Alternatively, you can check your eligibility in minutes using our [online reverse mortgage calculator](#).



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