2020 Global Equity Release Roundtable Survey
In conjunction with the 2020 Global Equity Release Roundtable, representatives from each country attending have been surveyed to understand the details of how equity release markets operate in different countries. This document summarizes the survey responses received. The responses provided have not been verified by EY professionals and simply represents the views of the responders. The information in this pack should not be regarded as comprehensive or sufficient for making decisions, nor should it be used in place of professional advice. Accordingly, Ernst & Young LLP accepts no responsibility for loss arising from any action taken or not taken by anyone using this pack. If you require any further information or explanations, or specific advice, please contact us and we will be happy to discuss matters further. For further information about the contents of this report, please contact:

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Market size

Volumes per annum

- Canada: <5 lenders
- USA: >10 lenders
- Germany: <5 lenders
- Ireland: <5 lenders
- Italy: <5 lenders
- Norway: >5 <10 lenders
- Netherlands: >5 <10 lenders
- Poland: <5 lenders
- Spain: <5 lenders
- Sweden: <5 lenders
- UK: >10 lenders
- Sweden: >5 <10 lenders
- Netherlands: >5 <10 lenders
- Australia: >5 <10 lenders
- New Zealand: <5

Not covered by the survey:

- <$0.5bn
- >$2bn
### Financial advice and funding

| Are equity release customers required to seek independent financial advice? | Australia | Canada | Germany | Italy | Ireland | Netherlands | New Zealand | Norway | Poland | Spain | Sweden | UK | USA |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Some do some do not | ✓ | X | X | X | ✓ | X | X | ✓ | X | ✓ | ✓ | ✓ | ✓ | ✓ |

<table>
<thead>
<tr>
<th>Main current funding source(s) for equity release mortgages</th>
<th>Bank (own balance sheet)</th>
<th>Bank (own balance sheet)</th>
<th>Debt</th>
<th>Debt</th>
<th>Securitization</th>
<th>Securitization</th>
<th>Whole portfolio sales</th>
<th>Whole portfolio sales</th>
<th>Insurance (own balance sheet)</th>
<th>Insurance (own balance sheet)</th>
<th>Other</th>
<th>Other</th>
<th>Other</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓</td>
<td>✓</td>
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</tbody>
</table>

*The majority of US mortgages are also government backed.*
# Products

<table>
<thead>
<tr>
<th>Type of mortgage (proportion of annual sales)</th>
<th>Australia</th>
<th>Canada</th>
<th>Germany</th>
<th>Italy</th>
<th>Ireland</th>
<th>Netherlands</th>
<th>New Zealand</th>
<th>Norway</th>
<th>Poland</th>
<th>Spain</th>
<th>Sweden</th>
<th>UK</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>NNEG¹ present if relevant</td>
<td>✓</td>
<td>✓</td>
<td>✘</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>N/A</td>
<td>✘</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Youngest eligible age</td>
<td>60</td>
<td>55</td>
<td>65</td>
<td>60</td>
<td>60</td>
<td>55</td>
<td>60</td>
<td>60</td>
<td>60</td>
<td>65</td>
<td>60</td>
<td>55</td>
<td>60</td>
</tr>
<tr>
<td>Fixed rate vs. variable rate if relevant</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical underwriting</td>
<td>✘</td>
<td>✘</td>
<td>✘</td>
<td>✘</td>
<td>✘</td>
<td>✘</td>
<td>✘</td>
<td>✘</td>
<td>✘</td>
<td>✘</td>
<td>✘</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Type of borrowing (proportion of annual sales)</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

*Some equity release involves medical underwriting and some do not.

¹No-negative-equity-guarantee
## Future growth

<table>
<thead>
<tr>
<th>Estimated total housing wealth with individuals over 60 ($tn)</th>
<th>Australia</th>
<th>Canada</th>
<th>Germany</th>
<th>Italy</th>
<th>Ireland</th>
<th>Netherlands</th>
<th>New Zealand</th>
<th>Norway</th>
<th>Poland</th>
<th>Spain</th>
<th>Sweden</th>
<th>UK</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;$3tn</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓ ✓</td>
<td>✓ ✓</td>
<td>✓ ✓</td>
<td>✓ ✓</td>
<td>✓ ✓</td>
<td>✓ ✓</td>
</tr>
<tr>
<td>&gt;$1tn &lt; $3tn</td>
<td>✓ ✓ ✓</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;$1tn</td>
<td>✓ ✓ ✓ ✓ ✓</td>
<td>✓ ✓ ✓ ✓ ✓</td>
<td>✓ ✓ ✓ ✓ ✓</td>
<td>✓ ✓ ✓ ✓ ✓</td>
<td>✓ ✓ ✓ ✓ ✓</td>
<td>✓ ✓ ✓ ✓ ✓</td>
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<td>✓ ✓ ✓ ✓ ✓</td>
<td>✓ ✓ ✓ ✓ ✓</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Predicted annual volumes in 10 years ($bn)</th>
<th>3-4</th>
<th>2</th>
<th>6-10</th>
<th>0.5-1</th>
<th>0.6</th>
<th>3.5</th>
<th>0.3</th>
<th>13</th>
<th>25</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current annual volumes ($bn)</td>
<td>&gt;2</td>
<td>&gt;0.5</td>
<td>&lt;0.5</td>
<td>&lt;0.5</td>
<td>&gt;0.5</td>
<td>&lt;0.5</td>
<td>&lt;0.5</td>
<td>&lt;0.5</td>
<td>&lt;0.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Biggest barrier to growth</th>
<th>Lack of product innovation</th>
<th>Lack of customer awareness</th>
<th>Insufficient funding</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>✓ ✓ ✓ ✓ ✓</td>
<td>✓ ✓ ✓ ✓ ✓</td>
<td>✓ ✓</td>
<td>✓ ✓</td>
</tr>
</tbody>
</table>

Grey cells indicate where information was not available.
If you could change one thing about the equity release market in your country, what would it be?

More lenders
Introduction of product standards
Availability of funding
More mainstream products
Creation of industry body
Government endorsement
Bespoke regulation
Appendix – Definitions

► **Lifetime mortgage**: Where a home owner *borrows* using their house as security, and amount borrowed accumulates with interest and is repaid on death, entry into long-term care or voluntary early redemption.

► **Home reversion**: Where a fixed percentage of sale value of house is promised to lender on death or entry into long-term care of the home owner in exchange for an upfront cash payment to home owner.

► **Lumpsum**: Products where customer receives a single instance upfront payment with all future payments subject to further underwriting.

► **Drawdown**: Products where a borrowing facility is provided to lifetime mortgage borrower which can be drawn as funds are required in the future.

► **Annuity mortgage**: Product where customer receives series of fixed payments in some cases in addition to a lumpsum payment or facility.

► **NNEG**: No-negative-equity-guarantee which caps the borrower liability under a lifetime mortgage at the net proceeds from the sale of their house on redemption of the mortgage.
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