

The Inheritance Advance Product

From

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Inheritance Advance – structure and key benefits...

- A ‘bridging loan’ to advance inheritance, but one that does not require:
 - a credit check
 - a charge over any property
 - a Will
- The Advance is secured against the Beneficiary’s entitlement by an assignment
- There must be a professional administrator managing the distribution process
- It can act as a USP for intermediaries, in addition to improving customer service
- We pay Introductory fees/Administration fees to intermediaries
- We need the same information that you gather to manage the Estate

Inheritance Advance – product features...

- We can advance up to 60% of the beneficiary's net entitlement
- We can make an Advance to one or more Beneficiaries in the same estate
- Is available to all beneficiaries, and there is no risk to the customer if:
 - another Will/beneficiary surfaces
 - assets take longer to sell/other liabilities emerge
- The beneficiary pays an Origination Fee (2%, capped at £1,500), which can be added to the Advance
- Interest costs (of 1.5% per month, for up to 30 months) are rolled up into the Advance (APR = 22%)

Inheritance Advance – Case Studies...

- *Cash required quickly*: 3 beneficiaries, each due a 1/3 of Mother's Estate (primarily a property); beneficiary 1 wanted £12k (50%) quickly – we were able to turn around in 3 weeks, including a 14-day 'cooling off' period

[Beneficiary 2 subsequently applied for and received an Advance]

- *Difficult beneficiary*: 3 beneficiaries, one prepared to accept 'derisory' offer for main property; other 2 beneficiaries prepared to hold out for 'realistic' offer. We advanced the 2 beneficiaries to allow them to pay off the other beneficiary
- *Over-extended beneficiary*: HNW beneficiary has taken out fixed duration bridging loan, assuming probate/house sale process would complete quickly, that needed repayment, causing embarrassment with rest of family - we were able to advance >£100k to give him the breathing space required

Inheritance Tax – a solution to the conundrum...

- There are many cases where an Estate can become ‘locked’ – where the IHT needs to be paid to obtain a Grant of Probate, but a Grant of Probate is required to release the assets within the Estate for sale to pay the IHT...
- We have a solution, where an Executor (or a potential Personal Representative) can ‘bind’ an Estate to an advance to pay the IHT
- The liability, given it is a valid Testamentary Expense, survives any changes of Executor/another PR emerging
- The advance still requires there to be a professional administrator involved in the process of distributing the proceeds
- We have approval to launch and are drafting a suite of loan documents

Inheritance Advance – key points...

- For the customer:
 - No dependency on credit history or a charge over property
 - No monthly repayments, no risk of a shortfall
 - Can be used for any purpose – there is no ‘typical’ customer!
- For the intermediary:
 - Broadens offering to customers
 - Reduces enquiries from beneficiaries
 - Can act as a lead generator



Contact details – feel free to circulate to your colleagues!

- If you want any further information you can get hold of us through:
 - Email: administrator@towerstreetfinance.co.uk
 - Telephone: 0343 504 7131
 - Web: www.towerstreetfinance.co.uk
- In addition, the website has a set of FAQs, and a blog with some relevant articles!
- Customers can apply either by telephone, email or over the web

