

Equity Release Qualification Requirements

Introduction

In order to meet TCF requirements all Advisers operating in the Equity Release Market are required to be able to give generic advice on both Life Time Mortgages and Home Reversion Plans. Therefore PTFS require all Advisers who wish to continue advising in this area to hold the appropriate qualification(s) and be deemed competent.

Qualifications and Grandfathering Requirements

Under FSA Grandfathering arrangements advisers who hold the relevant Lifetime Mortgage qualification (CF7-CeLM) and have been assessed as competent in **Lifetime Mortgages** on or before the 5th April 2007 can take one of the Home Reversion **top up exams** (HR1-CeRER top up unit) instead of having to take one of the new Equity Release exam papers. They will have until 5th April 2009 to do the relevant top up exam. If they do not pass the relevant top up exam then they will have to take one of the new Equity Release exams (ER1-CeRER).

Advisers who have **not** been deemed as competent in **Lifetime Mortgages** on or before the 5th April 2007 who have the Lifetime Mortgage exam CF7 or CeLM and Advisers who are new to Equity Release activities and start to undertake business in this area will need to be supervised until they pass one of the new Equity Release examinations (ER1-CeRER). They will need to be deemed as competent in accordance with TC1 and TC2 rules and guidance. In accordance with PTFS T&C rules, **advisers will have 2 years in which to pass (ER1-CeRER).**

Please refer to Appendix A Flowchart.

The old Lifetime Mortgage, Home Reversion top up and new Equity Release qualifications are listed below:

Provider	Existing Exam	Top up
CII	Certificate in Equity Release (CF7)	(HR1) Exam
ifs School of Finance	Lifetime mortgages Certificate (CeLM)	(CeRER Top up unit)

Going forward the CII and ifs School of Finance have brought out exams that cover both Lifetime Mortgages and Home Reversion Plans as follows:

- CII (**ER1**) New exam available in September 2007
- ifs School of Finance (**CeRER**)

Supervisors

Both branch based and T&C Supervisors will be required to pass the relevant qualification so they can undertake supervision activities relating to both Life Time Mortgages and Home Reversion Plans as per FSA handbook (TC. 2.7.5).

Supervisors who currently hold a Lifetime Mortgage qualification will have until the 5th April 2009 to pass one of the Home Reversion Plan **top up exams** (HR1-CeRER top up unit).

In the mean time Supervisors will only be able to undertake Life Time Mortgage supervision duties, until they have passed one of the appropriate top up exams.

Induction Course

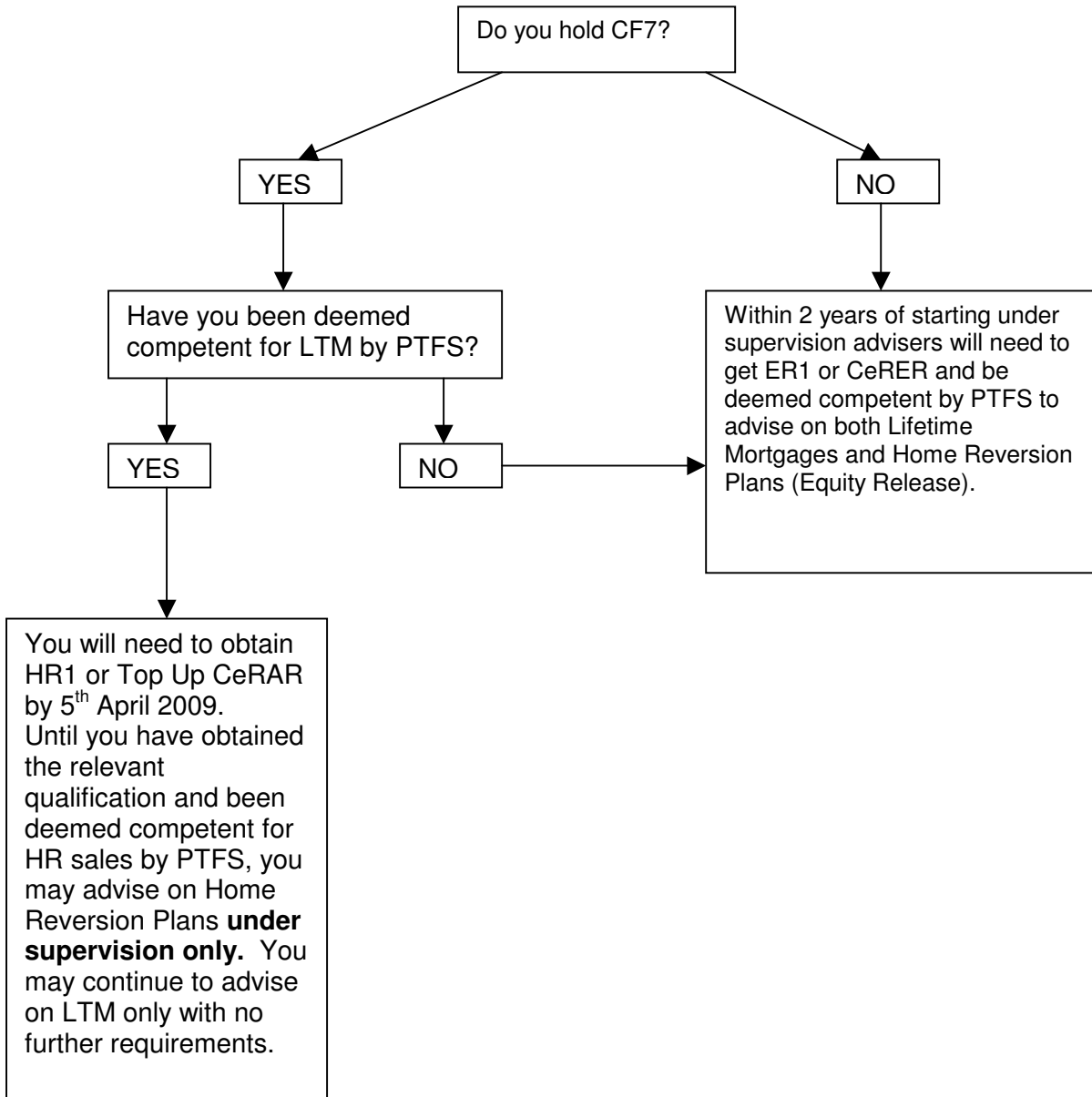
The current PTFS Induction Course does not cover Equity Release. A separate/additional Course will be mandatory for both Supervisors and Advisors. The Training department will design and run this course.

Communication of these requirements

The following communication channels will be used to inform the relevant PTFS Staff, Supervisors and Advisors of the above requirements:

- Eshot to advisers
- Compliance and T&C bulletins on PTFS website
- T&C and Risk Assessment to inform advisers of the above requirements during routine visits
- Membership to be made aware of the new requirements
- Training will inform applicable advisers during the course of their induction
- Articles to be run in Personal View
- Compliance Management Group to be advised on progress and timetable for the above.

Appendix A
Adviser Equity Release Qualification Requirements



Where the relevant top up qualification and Competency level has not been attained by 5th April 2009 all activity in the area must cease.

As per T and C 2.7.5 Supervisors must hold the relevant qualification and technical knowledge to supervise in this area.