

GUIDANCE NOTE

LUMP SUM REPAYMENTS AND LOAN REDEMPTIONS

APPROVED FOR CLIENT USE | FEBRUARY 2026



Clients who have a loan on their SIPP property may opt to repay a lump sum or redeem the loan early. The following sets out how this can be achieved.

In order to proceed with a lump sum loan repayment or loan redemption, we require written instructions by way of a letter sent to our main office address and marked for the attention of the Property SIPP Servicing Team, or an email to: propertyloanenquiries@curtisbanks.co.uk. The instructions can be provided either by yourself or your adviser.

Once this instruction is received we will contact the bank for confirmation that there will be no penalties for repaying a lump sum off the loan or redeeming the loan. If the bank confirms that there are pre-payment charges or early redemption charges, we will refer this to you or your adviser before proceeding with the repayment.

Timescale

We aim to deal with your request within 15 working days; this may be dependent on third parties.

Fees and charges

Our fee for arranging the repayments will be charged as per our schedule of fees, which is available on our website or on request. The fee covers primarily our time in liaising with the associated lender, and our own internal dealings

to ensure a smooth payment is made, and where a full redemption is made we deal with the removal of the charge at Companies House.

In most cases the bank will deal direct with the release of the legal charge electronically when a full redemption is made. However on occasions some banks require us to lodge this manually, and in particular for those properties held in Scotland and Northern Ireland, we may need to instruct an external solicitor to act on behalf of the SIPP to finalise this process. If this situation arises, we will inform you.

Any fee charged will be split equally between all clients taking part in the repayment.

Please note that if a loan is split between a group of clients and some clients decide to repay their share early, they will still be liable for their share of the additional fee for the release of the legal charge at HM Land Registry and Companies House upon full redemption of the loan.

Most repayments will be made via BACS Payment. In cases where the loan is redeemed, the funds need to be sent by Faster Payment to allow receipt on the same day. The Faster Payment fee will be split equally between all clients taking part in the repayment.

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Please refer to the relevant schedule of fees for your product, for details of the Faster Payment fee payable and whether fees are subject to VAT.

Lump sum loan repayments and redemptions on loans shared by a group of clients

Where a loan is shared between a group of clients we will need to arrange with the bank to reduce the regular loan repayments following a lump sum reduction of the loan if:

- the reduction is made by only some members of the syndicate; or
- the repayment is made not in accordance with the loan share (for example, the loan is shared 50/50 between two clients but the repayment is made in a different split).

Please note that in these cases we will not agree to proceed with the repayment if the bank is not willing to reduce the regular loan repayments afterwards.

This is because if we have to carry on repaying at the same rate, the plans that have not made any reduction would find that their SIPPs have to pay more on each regular repayment.

If all members of the syndicate make a lump sum loan repayment in accordance with their mortgage share then the regular loan repayment may remain unchanged.

Lump sum loan repayments and redemptions on properties owned jointly via a nominee structure

In addition to the written instructions stating the amount you wish to repay, we will require:

- the Trust Account details consisting of the account name, number, sort code and reference; and
- the details of the solicitor you wish to use to update the liability percentages in the Declaration of Trust. (The solicitor's charge will be split equally between all clients who are making a repayment.)

Once we have received this information we will arrange to transfer the funds to the Trust Account. It will be the nominee's responsibility to arrange to pay the monies off the loan and provide us with the accounting information. The fee charged in this instance will be at the lower end of the scale and will vary from case to case.

Where the funds are paid into the Trust Account by BACS there will be no fee for the transfer. If we are required to transfer the funds by Faster Payment, there will be a fee in accordance with the relevant schedule of fees. This fee will be split equally between all clients who are making a repayment at the same time.

Important points to consider

The value of pension funds can go down as well as up. Your money is tied up until you take your benefits. Benefits can normally be taken any time after age 55, although this is due to increase to 57 in 2028.

Contact details

If you'd like to speak to us about anything on this fact sheet, please contact us on:

T 0370 414 7000

We may record and monitor calls. Call charges will vary.

E propertyloanenquiries@curtisbanks.co.uk