

A guide to the CHIP Reverse Mortgage

There's no retirement like home



Hi, I'm Steve Ranson, President and CEO of HomeEquity Bank.

I've always felt that every Canadian deserves a financially secure retirement. That's why, when I joined HomeEquity Bank in 1998, I made it my goal to help all Canadian homeowners live a more comfortable retirement in the home they love.



You've worked hard to turn your house into a home – it's where you've built memories, and where you deserve to stay. And at HomeEquity Bank, we know there's no retirement like home. I'm proud to tell you that, for over 30 years, the CHIP Reverse Mortgage has helped tens of thousands of Canadians like you. With the CHIP Reverse Mortgage, there are no monthly mortgage payments until you choose to move or sell. You'll have the freedom to retire in your home on your terms.

Please take a few minutes to look over this brochure. It explains how the CHIP Reverse Mortgage works, and how it can help you enjoy a stress-free retirement in the home you love.

A stylized, handwritten signature in white ink that reads "SR".

Steven Ranson CPA, CA, President & CEO

What is a Reverse Mortgage?



You always maintain ownership and control of your home

- A reverse mortgage is a way for Canadian homeowners 55 or older to turn up to 55%* of the value of their home into tax-free cash. It lets you retire safely and securely in the home you love.
- It's a loan secured against the value of the home. Unlike a traditional home equity line of credit or conventional mortgage, there are no monthly mortgage payments for as long as you live in your home.

Your responsibility: The home must remain your primary residence. Simply pay your property taxes and home insurance, and keep your property well-maintained.

The CHIP Reverse Mortgage is provided by HomeEquity Bank, a Federally Regulated Canadian Bank.

*Some conditions apply.

The benefits of the CHIP Reverse Mortgage

The freedom to retire in the home you love



Why choose CHIP?

- Get up to 55%* of the value of your home
- Stay in your home
- Maintain full ownership and control
- Free yourself from monthly mortgage payments until you choose to move or sell
- Receive your money tax-free
- Option to make advance interest payments*



Your retirement, *your way*

- Pay off debts
- Renovate your home
- Take care of unexpected expenses
- Help the ones you love
- Enjoy the retirement you deserve
- Travel
- Purchase a vacation property

*Some conditions apply.

How to qualify

Exclusively for Canadian homeowners 55 and over

- All applicants are at least 55 years old
- Your home is your principal residence
- Any loans secured by your home (e.g. mortgage or home equity line of credit) must be less than funds available from CHIP



How to apply

The process is simple

- 1 Contact your broker**
Contact your mortgage broker for more information about the CHIP Reverse Mortgage.
- 2 Get an appraisal**
Once you decide to proceed, your mortgage broker will help arrange for an appraisal of your home.
- 3 Fill out an application**
Once we receive the appraisal, you'll know exactly how much you are approved for. Just complete a simple form, confirm the amount of money you want, and we'll answer any questions you may have.
- 4 Speak to a lawyer**
Before everything is finalized, we require you to review the information with an independent lawyer of your choice.
- \$ Get your money**
You will receive your tax-free money as a lump sum or multiple installments.

FAQs

How much money can I get from the CHIP Reverse Mortgage?

The amount you are eligible to receive depends on the age of the youngest applicant, the value of your home, and the type and location of your property.*



Do I have to make any payments?

No, there are no mortgage payments required until you choose to move, or sell your home. You do have the option to make advance interest payments to help reduce the amount owing at the end of your reverse mortgage.*

Can I lose my home?

You will remain the owner of your home. We will never ask you to move or sell, provided you: pay your property taxes and home insurance, and keep your property well-maintained.

How does a reverse mortgage compare to a home equity line of credit?

A home equity line of credit is a good option for some people. It requires you to make regular payments. Before getting one, you will also have to qualify based on your income and credit history. You may also have to requalify as time goes on.

What if I already have a mortgage?

We will first pay off your existing mortgage, along with any other secured debt, and then give you the remaining proceeds.

Do I keep the equity left in the home?

Yes! In our 30 years of experience, over 99% of homeowners have money left over when their CHIP Reverse Mortgage is repaid. And on average, the amount left over is more than 50% of the value of the home. This is due to the conservative limit (up to 55%*) we put on the amount that is made available to you; and the fact that most homes continue to increase in value.

What about downsizing?

Downsizing is certainly an option but expenses can really add up

with renovations, commissions, legal fees and land transfer taxes. Often you have to move away from the neighbourhood you love in order to purchase a home that will leave you with some extra cash for retirement.

Will my government benefits be affected?

No, CHIP will not affect any government benefits you may receive, such as Old Age Security (OAS), Canada Pension Plan (CPP), or Guaranteed Income Supplement (GIS).

Joanne's story

" I've lived in the same house for over 30 years. I know everybody in the neighbourhood; we'd all spent years together. It's like my neighbours are a second family.

When I retired, I really thought I'd have to downsize and move to be able to afford a comfortable retirement. I reached out to my mortgage broker and she recommended HomeEquity Bank. The CHIP Reverse Mortgage made it easy for me to stay in the home I love, close to my family and friends – even after retiring.

I don't know where I'd be without CHIP. **"**

93% of Canadian homeowners aged 65+

want to retire where they feel most comfortable – in the home they love.



Greg's story

// My wife and I started working full-time at a very young age. We bought our first home together when we were both just 24. I still remember the day we picked it out – it was perfect!

After we had our third child, we knew we would always be working to stay on top of our mortgage payments. That meant we would have a tough time travelling, something we'd always dreamed of doing together. Since retiring, we have had the freedom to travel to three continents.

Thanks to CHIP, we're retiring exactly how we wanted. //

94% of clients

recommend the CHIP Reverse Mortgage.

Client testimonials



"We decided to build a sunroom so we could enjoy some fall and winter sun without having to travel. My CHIP Reverse Mortgage let me build my sunroom without having to make loan payments."

- Bob H

"The CHIP Reverse Mortgage frees you up to move forward in more positive ways, rather than being forced into a situation you're not too happy with."

- Brigitte V

"We needed to be able to manage our lives without the family supporting us. The CHIP Reverse Mortgage means having a life."

- Gordon & Aubrey A

"With a line of credit, I would have to make payments to the bank every month. I didn't want to do that, I didn't want this to affect my income."

- David H

Retire in the home you love, on your own terms

We promise to always:

- Listen carefully
- Speak clearly and offer useful information
- Respect you and your privacy
- Never apply pressure

Contact your local mortgage broker
to learn more and **get your free estimate.**

CHIPReverseMortgage™ 
by HomeEquity Bank

