

Your guide to the CHIP Reverse Mortgage



There's no retirement like home

Kurt Browning
HomeEquity Bank
Ambassador



STEVEN RANSON

President & CEO

Your retirement is an opportunity to live some of life's richest moments, whether that means enjoying more time with those you love, taking a dream vacation or simply enjoying a quiet afternoon in the garden. And regardless of how you choose to spend it, we at HomeEquity Bank believe all Canadians deserve to experience retirement in comfort and financial security.

That's why, for more than 30 years, we have helped tens of thousands of people like you access the value of their homes using the CHIP Reverse Mortgage and made their retirement dreams a reality.

Our homes hold precious memories of the lives we've built. They become even more important to us as we get older – it's why nearly every Canadian wants to retire in their home. This brochure explains how you can do exactly that with the CHIP Reverse Mortgage. Please take a moment to read through it and call us to discuss how we can help you live your best retirement possible.



Congratulations!

As a Canadian homeowner you have made a sound investment in your real estate. Homeownership has also provided you with options to finance your retirement and live life on your terms.

Your interest in the CHIP Reverse Mortgage is the perfect start.

In this guide we will share client testimonials, compare products and solutions and provide you with information to help you choose the best option for you.

You can contact us at any time to book a meeting with one of our experienced Reverse Mortgage Specialists to find a customized solution to fit your needs.

Call 1-866-822-2447 Today!

Why Consider A Reverse Mortgage?



93% of Canadians want to age in place, in the home they love. With CHIP, you **stay in the home you love and access the equity from your home** to live retirement your way.



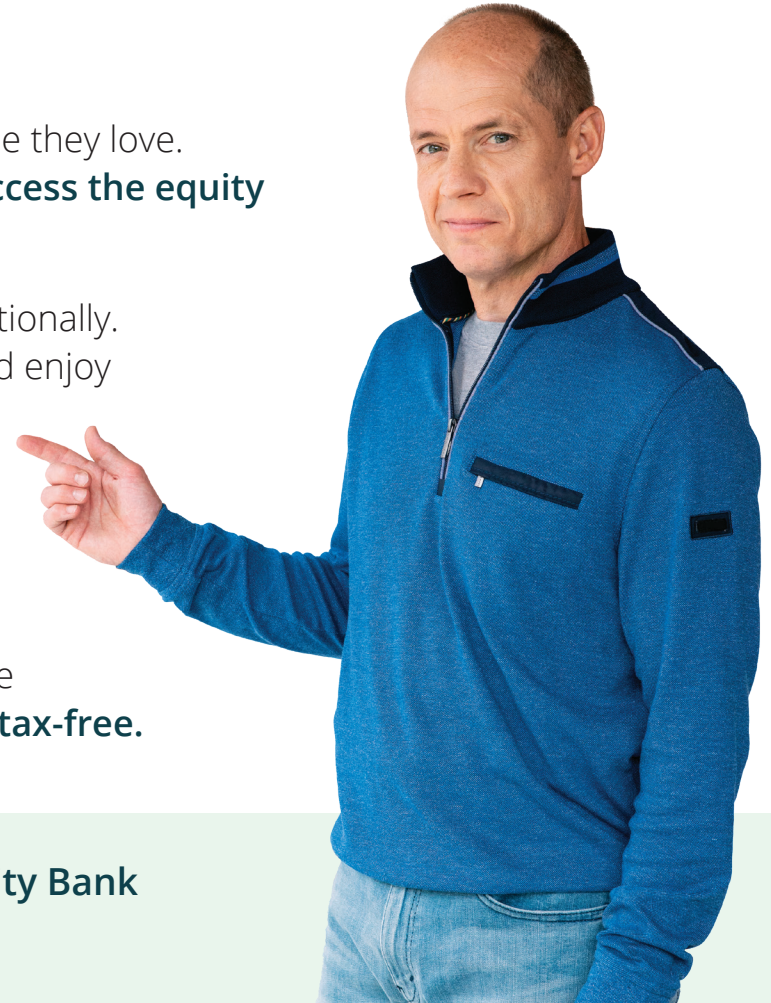
Downsizing can be costly both financially and emotionally. With CHIP, **you maintain title and ownership** and enjoy your home in retirement.



Access to traditional lending becomes limited in retirement due to fixed income. With CHIP, **no monthly mortgage payments** are required.



With investments and other forms of income, there can be tax implications. **Proceeds from CHIP are tax-free.**



CHIP Reverse Mortgage has been provided by **HomeEquity Bank** since 1986, a Federally Regulated Canadian Bank.

Reverse Mortgages Explained



You always maintain title and ownership of your home.

- ✓ Not unlike a conventional mortgage, the CHIP Reverse Mortgage is a loan secured against the value of the home, but *without* any monthly mortgage payments required.
- ✓ Only available to Canadians age 55 years or older.
- ✓ It allows homeowners to access up to 55%* of the value of their home without having to sell or move.
- ✓ You may receive the tax-free cash in a lump sum or in regular deposits to your bank account.

Your Responsibility

*Some conditions apply

Simply pay your property taxes, home insurance, and keep your property well-maintained. The home must be your principal residence.

Wide Variety of Solutions to Suit Your Specific Needs

At HomeEquity Bank, we don't believe in cookie-cutter solutions. Your financial goals are unique to you – and you deserve a customized solution that delivers what you want to get out of life. That's why today we offer you more unique mortgage products than ever before.

“Thank you HomeEquity Bank for: No more sleepless nights worrying about how to make ends meet. No more worrying about if we have to sell our home. Choosing the CHIP Reverse Mortgage was the best decision we made. We can now live the rest of our lives with financial peace of mind.”



Feel Right At Home With Your Options

CHIP Reverse Mortgage 

CHIP Max 

Income Advantage 

CHIP Open 

PURPOSE


Our most popular product type, the **CHIP Reverse Mortgage** is ideal for homeowners 55+ who are looking for a **one-time lump sum**


Designed for homeowners aged 55-75, **CHIP Max** can provide clients in select locations a **loan amount higher** than that of a CHIP Reverse Mortgage


Created for homeowners looking to supplement their retirement income, **Income Advantage** provides **monthly advances** in addition to a one-time lump sum


CHIP Open suits homeowners who require a **short-term solution**, who are willing to pay a higher interest rate and closing fee in lieu of any prepayment penalties


BEST USED FOR


 Paying off stressful debt


 Renovations which could increase your home value


 A large expense (e.g. health, car or helping family)


 Avoiding high-interest loans or an additional mortgage


 Boosting your income


 Loan consolidation


 Boosting your day-to-day lifestyle

 Increasing monthly cashflow

 Protecting your investments

 Bridge financing or as a short-term cashflow solution


 Avoiding high prepayment penalties

 Flexibility to convert to a longer-term solution

ELIGIBILITY

 Canadian Homeowners

 Borrower(s) must be 55+

 The home must be your primary residence

1-866-822-2447

What Does Financial Freedom Afford You?

- ✓ **Take care of debts**
- ✓ **Pursue a hobby**
- ✓ **Live life stress-free**

It can all be within reach.

HomeEquity Bank Reverse Mortgage solutions are about living your retirement, your way. You're free to use your money in any way you like. Here are only a few suggestions to get you inspired.



Take care of your finances

- ✓ Pay off debts and other financial pressures
- ✓ Improve cash flow
- ✓ Preserve your investments



Pursue your passions and interests

- ✓ Visit family and friends out of town
- ✓ Buy a vacation property
- ✓ Pick up a hobby like painting or a classic car restoration
- ✓ Take a course (many retired Canadians do!)



Give loved ones a gift of a lifetime

- ✓ Provide family with an early inheritance
- ✓ Help your children buy their first home
- ✓ Assist a family member
- ✓ Help your child or grandchild with tuition fees



Invest in your home

- ✓ Make repairs to your driveway, roof, HVAC system and more
- ✓ Refresh your home or garden
- ✓ Improve home decor and purchase a home entertainment system



Look after your health and wellness

- ✓ Join a gym and get active
- ✓ Pay for unexpected medical expenses
- ✓ Arrange for in-home care
- ✓ Renovate to improve your mobility at home




Supplement your income

- ✓ Maintain your current standard of living
- ✓ Enjoy social outings and host family and friends
- ✓ Maintain financial independence
- ✓ Keep up with the rising costs of living

Your Home Equity

Calculating Home Equity Over Time

CHIPReverseMortgage™ 	Today	In 10 Years*
Estimated Home Value	\$600,000	\$806,350
Principal (Reverse Mortgage)	\$211,500	\$211,500
Interest	\$0	\$133,042
Remaining Home Equity	\$388,500	\$461,808

	Rate
Annual Home Appreciation	3%
Interest rate	4.79%

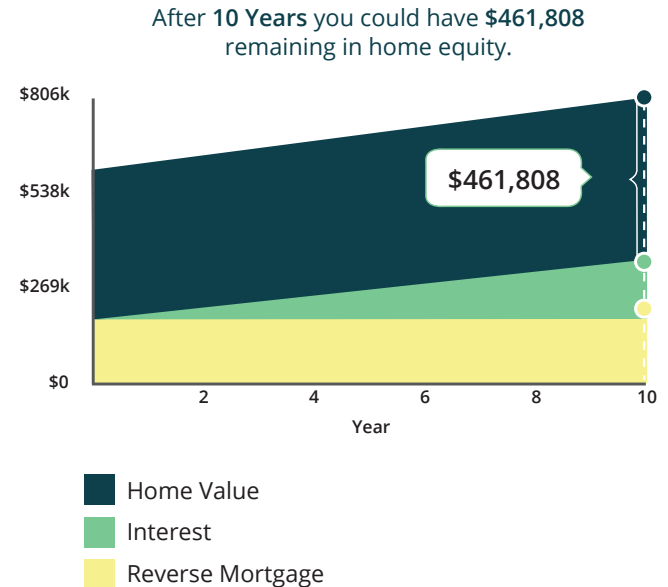



Illustration Purposes only

*Calculation and charts are for illustration purposes only. These assumptions are not necessarily indicative of future market performance or interest rates. External factors are not accounted for in the calculations and are based on certain assumptions, which may affect future projections. This information is not intended as specific financial, legal or tax advice for any individual and should not be relied on as such. HomeEquity Bank does not make any representations or warranties with respect to the illustrations.

With real estate prices in Canada continuing to rise, it's smart to consider your home's current value, and it's potential value in the future.

Calculating Home Equity Over Time

IncomeAdvantage™ 	Today	In 10 Years*
Estimated Home Value	\$600,000	\$806,350
Principal (Reverse Mortgage)	\$25,000	\$211,500
Interest	\$0	\$69,700
Remaining Home Equity	\$575,000	\$525,150

	Rate
Annual Home Appreciation	3%
Initial Advance Interest Rate	4.79%
Monthly Planned Advance	\$1,600
Planned Advance Interest Rate	4.79%

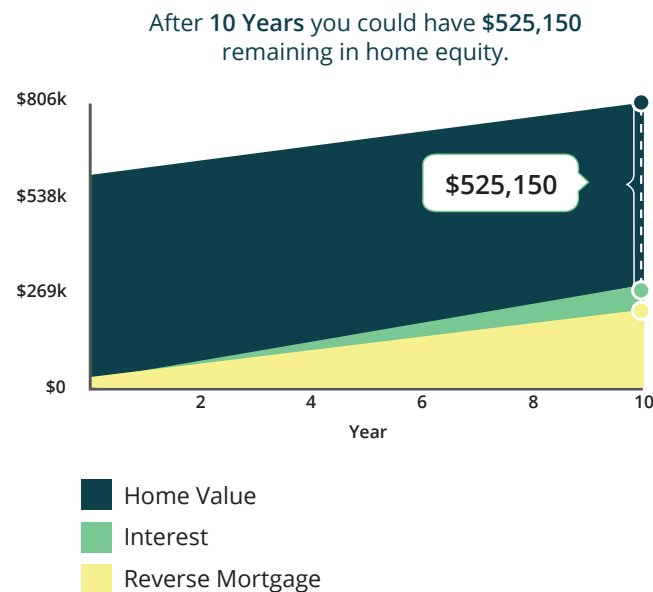


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You're In Good Hands With HomeEquity Bank

HomeEquity Bank has taken a number of measures to help protect our clients.



Our Conservative Lending Standards – up to 55%





Independent Legal Advisor required for all clients



No Negative Equity Guarantee* –
Never owe more than your home is worth

*Must maintain property, pay property taxes and homeowners' insurance, and abide by your mortgage obligations. The guarantee excludes administrative expenses and interest that has accumulated after the due date.



 **Trustpilot** 

Unbiased customer reviews and ratings accessible online **Rating of 4.6****

**As at September 2020



We were born in Vancouver in 1986



We've helped over 60,000 Canadians retire on their terms



We are a Federally Regulated Canadian Bank



We are Canada's #1 provider of reverse mortgage products

We Share Values With Our Partners

We are endorsed by both **CARP** and **The Royal Canadian Legion**.



"I've always espoused the benefits of aging in place. HomeEquity Bank offers a brilliant way of liberating a portion of the equity you've built up over the years without having to move and relocate. Traditionally, you had to sell your house."

Moses Znaimer, CARP (Canadian Association of Retired Persons) President

"After surveying the market carefully, we can confidently recommend HomeEquity Bank. They're a trusted organization with an impressive track record offering the safety and security of a Schedule 1 Bank while understanding the unique needs of a mature homeowner. We are happy to join HomeEquity Bank to offer Legion members an option to help support their retirement and make life more comfortable."

Thomas D. Irvine, Royal Canadian Legion Dominion President



Frequently Asked Questions

You've got questions. We have answers.

Don't see an answer you're looking for? Don't hesitate to speak to a HomeEquity Bank representative.

Q Will I still own my home?



Absolutely! You will always maintain complete ownership and title 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.*

Q How are fees and interest rates calculated?



We offer both fixed and variable rate terms. The variable rate will fluctuate based on the Bank of Canada's prime rate. Our fixed rates are set for a predetermined time period and are available for a 6-month, 1-year, 3-year or 5-year period. Like a conventional mortgage there are administrative fees and closing costs.

Q Can I owe more than my house is worth?



Every reverse mortgage comes with a No Negative Equity Guarantee*, which means the amount you will have to pay on the due date will not exceed the fair market value of your home as long as the conditions of the loan are met. In fact, 99% of clients have equity remaining in the home after the loan is repaid.*

*Must abide by mortgage obligations, maintain property, pay property taxes and homeowners insurance. The guarantee excludes administrative expenses and interest that has accumulated after the due date.

Q**What if I have an existing mortgage?**

The existing mortgage will have to be paid off with the reverse mortgage funds, the remaining proceeds can be used however you may choose.

Q**Are surviving spouses stuck with repaying the loan if their partner passes away?**

No, as long as the surviving spouse is on title, they can choose to remain in the home without having to make a repayment.

Q**Is a Home Equity Line of Credit (HELOC) a better option?**

You should always explore all options before making a decision. HELOCs are a good short-term borrowing option for those who can pay the interest and loan back in the near future. However, HELOCs are callable loans with monthly payments and with significant risk of non-renewal or cancellation.

Q**Do I have to make any payments?**

No, there are no monthly mortgage payments. Interest payments can be made, if you want to.

Q**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).



Maria W's Story

“ I have lived in the same tight-knit community for 52 years. We take care of ourselves here. When I broke my arm, neighbours helped me with my cleaning and shopping.

All the local store people know me by name. An older couple on my street moved across town and said it was the biggest regret of their lives. I sure did not want to make that mistake myself. I can't imagine living anywhere else.

CHIP is making it possible for me to stay in the home I love, with the neighbours that have become a second family to me. I am truly grateful. ”

- Maria W

Dave & Betty T's Story

“ For almost 15 years, I worked double shifts to make sure that Betty and our three children had a home they can be proud of.

But year after year, we seemed to lose ground financially. It was very stressful. I did not believe there could possibly be a solution to our debt other than selling our home, which we definitely did not want to do. There are so many wonderful memories wrapped up in this place. Every nick, ding and scratch reminds us of our life together.

When we were approved for a CHIP Reverse Mortgage, it really felt like all of the anxiety left us immediately.

We are appreciating our home in a totally new way.





Even our kids want to thank CHIP. ”

- Dave & Betty



How Does The CHIP Reverse Mortgage Compare?

The more you know about our reverse mortgage products, the more confident your buying decision. **Here is a comparison between CHIP Reverse Mortgages and three alternative financial options.**

	 REVERSE MORTGAGE	 HOME EQUITY LINE OF CREDIT	 PRIVATE LOAN	 CREDIT CARD
Type of Lending Product	<ul style="list-style-type: none">✔ A lifetime loan secured against the equity in a home	<ul style="list-style-type: none">✔ A demand loan secured on the property	<ul style="list-style-type: none">✔ An unsecured loan	<ul style="list-style-type: none">✔ An unsecured line of credit
Best Suited For	<ul style="list-style-type: none">✔ Homeowners 55+ who want to access the equity in their home but don't want to sell their property	<ul style="list-style-type: none">✔ Homeowners with income who have a need to borrow a large sum or want access to cash over time	<ul style="list-style-type: none">✔ Any individual with income that has a short-term need to borrow a smaller sum of funds	<ul style="list-style-type: none">✔ Any individual with income that has a need for accessible credit to supplement everyday expenses



REVERSE MORTGAGE

Repayment Terms

- ✓ No monthly payments are required
- ✓ Homeowner has the option to make partial and interest payments

Access to Funds

- ✓ Up to 55% of the value of the home
- ✓ Funds are tax-free and available as a lump sum and/or as regular deposits
- ✓ No renewal fees as the loan isn't due until the homeowner decides to move or sell

Loan Guarantee

- ✓ No negative equity guarantee as standard*
- ✓ No risk of the loan being called provided property requirements are met*
- ✓ Homeowner maintains title and ownership



HOME EQUITY LINE OF CREDIT

- ✓ Monthly minimum interest payments required

- ✓ Up to 65% of the value of the home
- ✓ The line is open provided conditions are met

- ✓ Loan may be called or not renewed depending on changes to income, home value, credit score or late payments
- ✓ Homeowner maintains title and ownership



PRIVATE LOAN

- ✓ Fixed minimum payments required monthly for both the principal and interest

- ✓ Borrower must take the total available funds up front
- ✓ Loan amount subject to qualification criteria
- ✓ Renewal not guaranteed

- ✓ Loan may be called depending on changes to income, credit score, or late payments



CREDIT CARD

- ✓ Monthly minimum interest payments required

- ✓ Cash advances are charged at a higher interest rate than purchases
- ✓ Credit limit subject to qualification criteria
- ✓ Renewal not guaranteed

- ✓ Cards may be cancelled or credit reduced depending on changes to income, credit score, or late payments

*As long as the clients meet their mortgage obligations, HomeEquity Bank guarantees that the amount they will have to pay on their due date will not exceed the fair market value of their home. If their home depreciates in value and the mortgage amount due is more than the gross proceeds from the sale of the property, HomeEquity Bank covers the difference between the sale price and the loan amount. The guarantee excludes administrative expenses and interest that has accumulated after the due date.

Take These Steps To Retiring On Your Terms

Here are the most common steps to securing a HomeEquity Bank Reverse Mortgage.

01



**Call Us At
1-866-822-2447**

A HomeEquity Bank Representative will be happy to speak to you about your specific needs.

02



**Talk To Your
Family**

We encourage you to discuss your interest in the CHIP Reverse Mortgage with your family. You are welcome to invite them to speak to us directly as well.

03

**Get A Home
Appraisal**

Once you decide to proceed, we'll help arrange for an appraisal of your home.

“Since I completed my application, my life has changed for the better in every way, even my health, but most of all my feeling of security. For that I am most grateful.”



Trustpilot



04



Fill Out An Application

Upon completion of an appraisal, you would complete a simple form, and we'll answer any questions you may have.

05



Speak To A Lawyer

Before everything is finalized, we require you to review the information with an independent lawyer of your choice.

06

Get Your Money & Enjoy Your Life

Remember, the money you receive will be totally tax-free. You'll agree with tens of thousands of Canadians – there really is no retirement like home!



"I believe in the CHIP Reverse Mortgage as a sound, secure financial tool to help Canadians stay in the home they love. I trust HomeEquity Bank and encourage Canadians to contact them and ask questions. CHIP has provided financial security for so many."

Kurt Browning,
CHIP Reverse Mortgage
Ambassador





“Right from the start, we had excellent service. We recommend a reverse mortgage to anyone in a similar circumstance as us.”



1-866-822-2447

Retire In The Home You Love, On Your Own Terms



At HomeEquity Bank™  we promise to always:

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

1 866 822 2447

Call us to find out how much money you can receive with our no obligation, **FREE Estimate.**

CHIP Reverse Mortgage™ 
by HomeEquity Bank

Endorsed by:



Legion

June 2021