

Fact Sheet

Purpose of Funds

- Finance, refinance, bridge finance, purchase (owner occupied principal residence)
- Help Canadians aged 55+ who want to remain in their homes without a long-term commitment
- Offer a short-term financing solution that has the flexibility to convert to a CHIP Reverse Mortgage, if a longer-term solution is deemed necessary

Options to Receive the Funds

- Single lump-sum: 100% of funds the borrower is approved for
- Initial lump-sum with Subsequent Advance: The borrower initially takes less than 100% of the approved funds and sets the rest aside. The funds may be available to them in the future, subject to HomeEquity Banks' approval and the terms and conditions of their loan agreement

Prepayment Privileges

No prepayment charge applies:

- Borrowers can make partial prepayments or a full repayment at any time
- Borrowers can make regular interest payments of a fixed amount by automatic withdrawal

Conversion to CHIP Reverse Mortgage

- The borrower can choose to convert their CHIP Open Reverse Mortgage to a CHIP Reverse Mortgage at any time¹
- During the Conversion process, borrowers will be able to select from the current posted terms and interest rates for the CHIP Reverse Mortgage as stated on homeequitybank.ca/fees and in effect on the Conversion Date

Appraisal

- Required (approximately \$350 - \$500 for most properties)

Independent Legal Advice

- Required (approximately \$500 - \$900)²

Documentation Requirements³

- A copy of the confirmation of property taxes paid
- A copy of current home insurance policy
- A copy of the borrowers up-to-date government photo identification such as a passport, drivers license, etc.
- A copy of the confirmation of school taxes paid

Maximum LTV

- Up to 55% of the home value for CHIP Open (Conditions apply)

Mortgage Amount

- Minimum loan amount of \$25,000
- Minimum \$5,000 for each subsequent advance, if applicable

Terms *(see Rate Sheet for rates)*

- Variable Rate Open Mortgage (the fixed spread is guaranteed for 3 years. Prime rate can fluctuate)

Amortization

- None

Payments

- No regular monthly payment is required

Current Rates and Fees

- Please see Rate Sheet for current closing fees and rates and homeequitybank.ca/fees for all other fees

Property Taxes

- Must be up-to-date, if not, it can potentially be paid out of the mortgage proceeds

¹Conditions apply. Conversion fee of \$500 applies.

²Additional legal costs may apply if additional legal work is required (eg. title issues). The independent legal advice charge is an estimate only and may vary beyond the specified range depending on individual circumstances.

³More information and documentation may be required at HomeEquity Bank's discretion.

Interest rates, terms and products subject to change without notice. E. & O.E. TM Trademark of HomeEquity Bank.

