



01 Getting pre-approved for less than the initial amount desired.

- A reverse mortgage is based on several factors, including age - as they get older their qualifying amount will increase and they may have the option to apply for an increased amount should they need it.
- Understanding your customer to determine whether or not a reverse mortgage is the right solution for them will provide them with an option that they may not have considered before.



- ✓ Run a financial illustration to show them how the value of their home can increase over time.
- ✓ Consider including a second mortgage if more funds are truly needed. Rates are still lower than credit cards and they can put a second behind the reverse mortgage up to a combined LTV of 65% including fees.



 There are flexible withdrawal options to suit their requirements and all proceeds are tax free.

02 Having to pay off debts first leaving less available funds left-over.

- A reverse mortgage can help free up cash flow by alleviating regular monthly payments on existing debts thus making your client better off financially.
- There are no regular re-payments with a reverse mortgage and payments aren't required until after the client no longer lives in the home.



- ✓ Review your client's monthly budget to demonstrate how they can be better off financially by not having to make regular monthly payments on secured and unsecured debts.
- ✓ Consider including a second mortgage if more funds are truly needed. Rates are still lower than credit cards and they can put a second behind the reverse mortgage up to a combined LTV of 65% including fees.



 A reverse mortgage can help to free up cashflow and be used to pay off existing debt such as their mortgage, credit cards, etc.,



03 Having second thoughts about taking on a mortgage debt at this time.

- By a certain age, many finance options may no longer be available to your clients. Explore their current options and ensure they have all the facts about how a reverse mortgage works.
- Your client's home is likely to increase in value over time and potentially can offset the overall loan amount and interest accumulated.



- ✓ Run a financial illustration to show them that their home's equity value may increase to offset the interest accumulated.
- ✓ Answer all their new questions and provide them with collateral to share with their family.
- ✓ Invite your clients' family members to a meeting/call so you can answer all their questions as a group so you can move forward with everyone on board.



 The client's home is likely to increase in value and Home Equity Bank offers a *No Negative Equity Guarantee which guarantees the debt will never exceed the fair market value of their home.

04 Convinced that a reverse mortgage isn't a good idea because of something read or heard.

- Reverse mortgages in the US are different and the same regulations don't apply in Canada. Have all the information about reverse mortgages in Canada to hand to combat any specific concerns.



- ✓ Show your client a comparison of a reverse mortgage against other options that may be available to them such as a HELOC - highlighting the main benefits that are of concern.



 A reverse mortgage allows your client to continue to own and live in their home and also with an NDA demand loan, in a spousal situation, both spouses are protected as long as they're still in the home .



COMMON CONCERNS

FACTS

The bank will own the home

The bank simply has a first mortgage on the title. Your clients will still own their home until they are no longer living in it.

Unpaid interest will erode the home's equity

The Loan to Value (LTV) is capped at 55% and over 99% of our customers have money left over when they decide to move or sell.

The inheritors could lose the family home

The CHIP Reverse Mortgage is a non-recourse loan, meaning that the borrower will never owe more than the home is worth. HomeEquity Bank offers a *No Negative Equity Guarantee which guarantees the debt will never exceed the fair market value of their home.

A surviving spouse may lose the home or must begin making payments

If the surviving spouse is on the title of the primary property, then the loan will continue to be deferred until they pass or sell the home.

The interest rates are high

Interest rates on Reverse Mortgages mirror the rates charged on other home equity loans. They are usually somewhat higher than the rates charged for a Line of Credit because clients are not required to make monthly payments or repay the loan until they move or sell the home.

Was told not to get into more debt

This solution helps your client stay independent and not rely on anyone for financial help. HomeEquity Bank rates are more favorable than credit cards, alternative lenders' rates on second mortgages or unsecured loans.

* As long as the client meets 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.