



Wealth

by HomeEquity Bank™

Income Augmentation CHIP Income Advantage

Overview

HomeEquity Bank's CHIP Reverse Mortgage solutions enables a range of financial planning options for Financial Advisors and Canadian homeowners aged 55+. Our Wealth Management solutions are designed to unlock the tremendous value trapped in the Home Equity Asset Class and provide Clients with secure and tax-free cashflow. CHIP Income Advantage provides tax-free monthly or quarterly advances that can augment monthly income, delaying the redemption of registered investments.

Situation

Meet Martha and Stephen Crawford from Scarborough. Both are 69 years old retirees, enjoying retirement freedom and proud of their home located in a community they love. Despite a modest investment nest egg built with the help of their trusted Financial Advisor, they are concerned about maintaining their lifestyle throughout retirement. They recently asked their Financial Advisor to investigate ways to assure consistent, tax-efficient retirement cashflow.



Client Profile

Homeowners

Male Age 69
Female Age 69

Home Value

\$1,300,000

Investment Portfolio

RSP \$520,000 +
TFSA \$125,000

Living Expenses

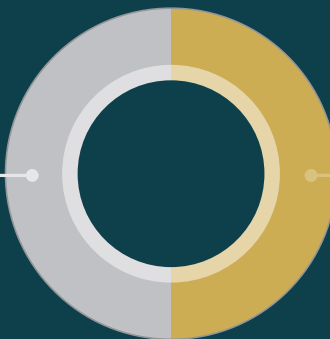
\$7,000/month
or \$84,000/year

Solution Options



Traditional Financial Plan

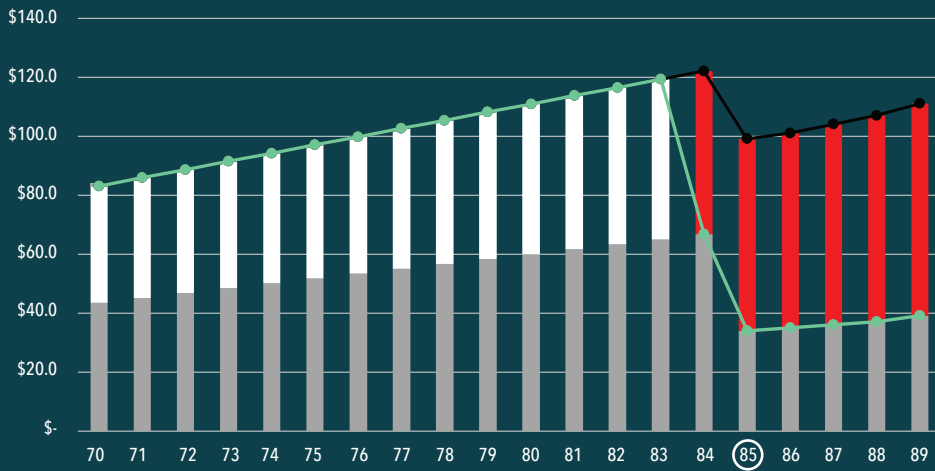
- » Withdrawal registered investments over the next decade to provide required cashflow
- » Plan to downsize their home in the future to address the projected cashflow shortfall



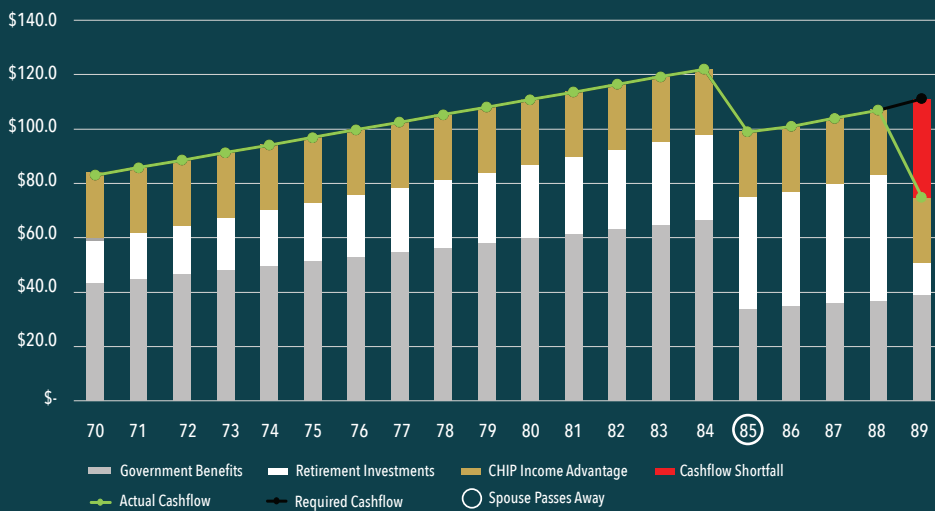
CHIP Income Advantage Enabled Financial Plan

- ✓ Augment retirement cashflow by accessing small tax-free monthly advances from home equity
- ✓ Minimize monthly investment withdrawals to preserve growing tax-sheltered assets
- ✓ Delays or eliminates the need to downsize their home in the future

Traditional Financial Plan



CHIP Income Advantage Enabled Financial Plan



Decision

Martha and Stephen chose the **CHIP Income Advantage enabled financial plan** as their solution continuing a strong relationship with their Financial Advisor with the confidence they made a **tax-smart, strategic** and **savvy decision**.

CHIP Income Advantage
Monthly Tax-Free Cashflow
\$1,200/mo for up to 27 years

Annual Registered
Investment Assets Preserved
\$14,400

Registered Investment
Assets Life Extension
6 years longer

Assumptions: Inflation at 3.0% per annum, Investment Growth Rate at 3.5% per annum

Key Benefits

- ✓ The Clients continue to own and remain in the home they love and enjoy the lifestyle they've earned
- ✓ The Clients continue to benefit from the appreciation of their home, delaying the downsize decision
- ✓ Tax-free cashflow via CHIP Income Advantage defers a total of \$288,000 in registered investment withdraws over the life of the CHIP enabled financial plan
- ✓ The Clients' registered investments continue to grow for 6 years longer compared to a traditional financial plan
- ✓ The Clients continue to benefit from the preservation of their investment portfolio and the strong relationship with their trusted Financial Advisor



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Contact me today: