



HomeEquity  
Bank™

A photograph of a middle-aged couple sitting at a table, smiling and looking at documents. A financial advisor, partially visible on the left, is gesturing with his hand while explaining something. The man is holding a pen and a clipboard, and the woman is holding a white mug and a document.

# PARTNER GUIDE

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**Unlocking Opportunities:** The Referral  
Partner's Guide to the CHIP Reverse Mortgage



## A MESSAGE FROM HOMEEQUITY BANK LEADERSHIP

As we age, we have the capacity to experience some of life's richest moments, from spending quality time with family and friends to providing our children or grandchildren with a living legacy. As we speak to CHIP clients, we're amazed at how Canadians 55+ are redefining what it means to age. They are living independently, pursuing passions, and achieving goals that bring meaning to their lives.

At HomeEquity Bank, we believe everyone deserves the freedom to do what they love for as long as they can, with dignity. Financial stability, security, and independence form the foundation of our mission, empowering your clients to live life on their terms as they age. That's why we're proud to offer tailored financial solutions that allow Canadians to continue living in the homes they cherish and pursue their sense of purpose.

For more than 38 years HomeEquity Bank has been a trailblazer as the only financial institution exclusively serving Canadians 55 and better with the CHIP Reverse Mortgage solution. We have pioneered the reverse mortgage category in Canada and have maintained a leadership position in this industry and are trusted because of our nearly four decades of experience.

This guide explains how you can help your clients achieve financial freedom with HomeEquity Bank's reverse mortgage solutions. You'll find a variety of options designed to help clients access the savings they have built in their home. Please take a moment to read through it and contact our bank team to discuss how we can help your clients to live with the dignity, empowerment, and independence they deserve.





## MEET OUR PARTNERS

In 1986, HomeEquity Bank became the first reverse mortgage provider in Canada. Today, we continue to be the leading provider with the CHIP Reverse Mortgage. By partnering with the organizations below, we are able to provide Canadians 55+ with the retirement they deserve.

*HomeEquity Bank's Chief Financial Commentator, **Pattie Lovett-Reid***

### Acquired by Ontario Teachers' Pension Plan



In July 2022, the Ontario Teachers' Pension Plan Board acquired HomeEquity Bank. The acquisition by Ontario Teachers' represents the organization's continued vision for investing in successful Canadian financial services businesses like HomeEquity Bank, which is focused on serving Canadians 55+ through pioneering approaches to building wealth and financial security.



### Canada Deposit Insurance Corporation (CDIC)

HomeEquity Bank is a proud member of Canada Deposit Insurance Corporation (CDIC).



### Better Business Bureau

HomeEquity Bank has an A+ rating from the Better Business Bureau.



### Canadian Association of Retired Canadians (CARP)

HomeEquity Bank has been a proud partner of CARP, Canada's leading advocacy organization for older Canadians, since 2017. CARP endorses and recommends the CHIP Reverse Mortgage as a trusted financial solution in retirement.



### The Royal Canadian Legion

Since 2019, HomeEquity Bank has partnered with the Royal Canadian Legion, the country's largest organization supporting Veterans and their families. The Legion endorses the CHIP Reverse Mortgage as a viable and comprehensive solution for Canadians planning for retirement.



### HomeEquity Bank is recognized as a Schedule 1 Canadian Bank

HomeEquity Bank is a federally regulated Schedule 1 Canadian Bank and a proud member of the Equity Release Council, reflecting our commitment to the highest standards of consumer protection and responsible lending.

## WHAT IS THE CHIP REVERSE MORTGAGE?

The CHIP Reverse Mortgage is a loan secured against the value of the home. Unlike a conventional loan or a mortgage, with the CHIP Reverse Mortgage, clients are not required to make regular monthly payments. The loan is repaid only when the homeowners no longer live in the home. It is designed exclusively for Canadian homeowners aged 55 and better, providing them with the peace of mind that they can stay in their homes without financial stress.

The homeowner is required to keep the property in good condition and up to date with property taxes and property insurance. From a financial planning perspective, note that the money received from the CHIP Reverse Mortgage is tax-free and can be used however the homeowner wishes, with no impact on government pensions.

## CHIP REVERSE MORTGAGE FEATURES AND BENEFITS







## IS YOUR CLIENT ELIGIBLE FOR THE CHIP REVERSE MORTGAGE?

Below are the essential requirements and considerations when it comes to qualifying for the CHIP Reverse Mortgage:

**Clients Must Be 55 or Older**

Both the homeowner and their spouse or common-law partner must be at least 55 years of age. If one spouse is under 55, the application will not be eligible.

**Age Impacts Lending Amount**

The older the client, the more equity they may qualify to access. Factoring life expectancy into the lending model ensures the loan is structured responsibly.

**Primary Residence Requirement**

The home must be the client's primary residence, meaning they live there for the majority of the year. Have clients with multiple properties? HomeEquity Bank also offers a blanket or inter-alia mortgage to accommodate them.

**Minimum Home Value of \$250,000**

Homes must have a minimum appraised value of \$250,000 to be eligible. This ensures there is sufficient equity to support the loan structure and protect long-term sustainability for the client.

**First Charge on Title is Required**

HomeEquity Bank must be the first charge on the property. This means any existing mortgages or secured debt must be paid off using the CHIP Reverse Mortgage proceeds.




# HOMEEQUITY BANK PRODUCT COMPARISON

CHIP Reverse Mortgage 

CHIP Max 

CHIP Open 

Income Advantage 

PURPOSE			
Ideal for homeowners 55+ seeking a one-time lump sum.	Access to home equity for homeowners aged 55-75 <sup>1</sup> .	A short-term solution with no prepayment charges, but higher rates and fees.	Monthly advances to supplement retirement income, with flexible payout options.
BEST USED FOR			
<ul style="list-style-type: none"> <li>✓ Paying off stressful debt</li> <li>✓ Renovations which could increase home value</li> <li>✓ A large expense (e.g. health, car or helping family)</li> </ul>	<ul style="list-style-type: none"> <li>✓ Avoiding high-interest loans or an additional mortgage</li> <li>✓ Boosting income</li> <li>✓ Loan consolidation</li> </ul>	<ul style="list-style-type: none"> <li>✓ Bridge financing or as a short-term cashflow solution</li> <li>✓ Avoiding high prepayment charges</li> <li>✓ Flexibility to convert to a longer-term solution at a cost</li> </ul>	<ul style="list-style-type: none"> <li>✓ Boosting day-to-day lifestyle</li> <li>✓ Increasing monthly cashflow</li> <li>✓ Protecting investments</li> </ul>
LOAN AMOUNT			
Up to 55% <sup>2</sup> of the value in the home			
TERM			
<ul style="list-style-type: none"> <li>• 6-month fixed</li> <li>• 1-year fixed</li> <li>• 3-year fixed</li> <li>• 5-year fixed</li> <li>• 5-year variable</li> </ul>	<ul style="list-style-type: none"> <li>• 6-month fixed</li> <li>• 1-year fixed</li> <li>• 3-year fixed</li> <li>• 5-year fixed</li> <li>• 5-year variable</li> </ul>	<ul style="list-style-type: none"> <li>• Variable rate – with no repayment charges</li> </ul>	<b>Planned Advance Account</b> <ul style="list-style-type: none"> <li>• Variable</li> </ul> <b>Lump sum:</b> <ul style="list-style-type: none"> <li>• Variable</li> <li>• 1-year fixed</li> <li>• 3-year fixed</li> <li>• 5-year fixed</li> </ul>
ELIGIBILITY			
 Canadian homeowners	 Borrower(s) must be 55+	 The home must be the primary residence	

<sup>1</sup> CHIP Max has a higher interest rate, is only available in select locations, and is subject to HomeEquity Bank's credit granting criteria.

<sup>2</sup> Some conditions apply. Refer to our reverse mortgage calculator at [chipadvisor.ca/financial-illustration-calculator/](http://chipadvisor.ca/financial-illustration-calculator/) to determine how much your client qualifies for.

## UNLOCK NEW OPPORTUNITIES: EDUCATE YOUR NETWORK ON THE CHIP REVERSE MORTGAGE

The number one source of new business is your existing network. When your referral partners understand how the CHIP Reverse Mortgage works, and how it can directly benefit both their clients and their bottom line, they'll be more confident in making the referral.

Here's how different professionals in your network can leverage CHIP:

Realtors	Financial Planners & Investment Advisors	Lawyers
 <p>Help clients boost their purchasing power by accessing tax-free cash from their home. CHIP can support down payments, second home purchases, and other common needs, without impacting retirement savings.</p>	 <p>Help clients preserve their investment portfolios by unlocking tax-free cash from their home. CHIP can provide an additional income stream without affecting retirement savings or triggering taxable events.</p>	 <p>Be a trusted resource for clients navigating family law, divorce, or estate planning. CHIP can provide a flexible financial solution that supports equitable settlements or smooth succession planning.</p>
Insurance Advisors	Accountants	Contractors
 <p>Use CHIP to help fund permanent insurance policies. Clients can maintain protection and create estate planning solutions, without compromising other assets.</p>	 <p>Recommend a tax-efficient strategy for retirees. Since CHIP proceeds are tax-free, clients can access liquidity while minimizing taxable income and preserving government benefits and investments.</p>	 <p>Help clients 55+ bring their renovation dreams to life, without dipping into savings or taking on traditional loans. CHIP can unlock funds to support home upgrades, accessibility improvements, energy-efficient updates, and more.</p>



## CUSTOMER STORY

### Helping family with down payment

#### Client Profile

##### Homeowners:

Keith & Sandra (*late 70s*)

##### Home Value:

\$550,000

##### Situation:

Gift a down payment to daughter Lorraine

With housing prices high and the cost of living rising, Keith and Sandra's daughter Lorraine was struggling to save for a downpayment.

They had built up significant equity in their home and wanted a solution that wouldn't disrupt their finances. They turned to the CHIP Reverse Mortgage by HomeEquity Bank, which allowed them to access \$273,500 tax-free while staying in their home, with no payment obligations and no impact on their cashflow.

They gifted \$200,000 to Lorraine, helping her qualify for a conventional mortgage and buy her first home.





## CUSTOMER STORY

### Purchasing additional properties

#### Client Profile

##### Homeowners:

Tanya & Raymond (*late 70s*)

##### Home Value:

\$700,000

##### Situation:

Purchase a vacation home using a blanket mortgage

Tanya and Raymond were hoping to buy a \$500,000 vacation property just two hours from home. As they got older, they wanted to reduce air travel but didn't want to sell investments that would trigger taxes.

With significant equity in their primary residence, they explored the CHIP Reverse Mortgage by HomeEquity Bank. They qualified for \$350,000 on their current home and accessed an additional \$150,000 through CHIP on their new vacation property, enough to cover the full purchase price.

The blanket mortgage helped finance the vacation home, giving them access to funds without liquidating assets, disrupting their lifestyle, or taking on monthly payments.

Today, Tanya and Raymond spend more quality time with their children and grandchildren, enjoying life closer to home.



## CUSTOMER STORY

### Leveraging CHIP Open as a strategic bridge financing tool

#### Client Profile

##### Homeowners:

Justin & Lauren (80 & 73)

##### Home Value:

\$825,000

##### Situation:

Purchase a new \$400,000 townhouse before selling their current home

Justin and Lauren were ready to downsize into a \$400,000 townhouse that better suited their lifestyle. But without a firm sale on their \$825,000 home, they couldn't qualify for a traditional bridge loan.

They chose CHIP Open by HomeEquity Bank, which gave them access to \$427,500 tax-free from their home equity. This allowed them to buy their new home without rushing the sale of their current one.

They moved at their own pace, took time to prepare their home for market, and avoided lowball offers. Once it sold, they repaid the loan in full with no prepayment penalties, and now enjoy their new home mortgage-free.





## CUSTOMER STORY

### Accessing additional income with Income Advantage

#### Client Profile

##### Homeowners:

Kimran & Ajay (*early 70s*)

##### Home Value:

\$800,000

##### Situation:

Supplement income after a job loss

After Ajay unexpectedly lost his part-time job, he and his wife Kimran started feeling the financial strain. They considered withdrawing \$50,000 from savings and increasing their RRIF withdrawals, moves that would have long-term tax consequences and reduce their financial security in retirement.

Instead, they turned to Income Advantage by HomeEquity Bank, a reverse mortgage solution that allowed them to access \$316,000 from their home equity. They took \$50,000 upfront for immediate needs and set up a \$1,000 monthly draw, which will continue for 22 years, until they're 94.

This strategy helped them preserve their investments, maintain their cashflow, and stay in their home with the confidence that their income needs are covered well into the future.



## CUSTOMER STORY

### Debt relief and future flexibility

#### Client Profile

##### Homeowners:

Tina & Frank (*early 70s*)

##### Home Value:

\$875,000

##### Situation:

Managing debt and cashflow in retirement

After retiring in their early 60s with generous company packages, Tina and Frank fully embraced retirement. They travelled, renovated their home, and spent freely on their grandkids. But by their 70s, the costs caught up with them. On a fixed income, they were carrying \$175,000 in debt with monthly interest-only payments of \$1,123.

They were reluctant to drain their \$350,000 in registered savings or cut back their lifestyle just to stay afloat. They decided the CHIP Reverse Mortgage by HomeEquity Bank was a better way to regain financial stability.

They were approved for \$346,500, which allowed them to eliminate their debt and access an additional \$171,500 in tax-free funds for future needs, with no monthly mortgage payments required.

Today, they're still living in the home they love, with their savings intact, improved cashflow, and more than \$421,000 in home equity remaining after 10 years.





## CUSTOMER STORY

### Purchasing additional properties with an internal mortgage

#### Client Profile

##### Homeowners:

Jack & Diane (early 70s)

##### Home Value:

\$1.1 Million

##### Situation:

Purchasing a vacation property using an internal mortgage

Jack and Diane were ready to purchase a \$700,000 vacation property where they could enjoy their retirement. With a combined pension income of \$6,000 per month, they didn't qualify for a traditional mortgage of that size and weren't interested in cashing out their investments.

Owning their \$1.1 million home outright, they turned to the CHIP Reverse Mortgage by HomeEquity Bank and qualified for \$500,000 tax-free, with no monthly payments required. These funds were used as a down payment, and because CHIP doesn't impact debt servicing, their bank approved a \$200,000 purchase mortgage with monthly payments of just \$1,100.

Now, Jack and Diane are enjoying their dream vacation property without touching their savings or compromising their lifestyle.



## WORK WITH US AND GET PERSONALIZED SUPPORT

Referring a client to HomeEquity Bank is simple, and we take care of the details. When you choose to refer a client to HomeEquity Bank, you retain full ownership of the relationship while your dedicated BDM will handle everything related to their reverse mortgage. Our Business Development Managers (BDMs) provide personalized support during the application process to make it simple for you and your clients. Here is how we aim to make your job easier:

### Expert Sales Team

HomeEquity Bank BDMs specialize exclusively in reverse mortgages, offering unmatched expertise to support your client conversations and help grow your business.



### You Maintain Client Relationships

You own the client relationship; HomeEquity Bank does all the work and does not compete with additional product offerings.



### Full Service Field Support

We meet with the client to make the referral process a seamless experience. Independent Legal Advice (ILA) further supports compliance objectives.



### Additional Product Offering

It's great to have another financial solution tailored directly for Canadians 55+. The more solutions you can offer clients, the better!

## UNDERSTANDING THE PROCESS

You've seen some ways the CHIP Reverse Mortgage can help your clients succeed in retirement. Now, it's time to get started. Here are some things that you and your clients can expect to happen.

- 1 Reach out to your Bank Business Development Manager (BDM). If you don't have one, use [chipadvisor.ca/bdm/](https://chipadvisor.ca/bdm/) to find your closest BDM.
- 2 Your client will need a home appraisal, which will be ordered by HomeEquity Bank. Before this happens, you need to start gathering your client's documentation to support both the credit review and appraisal, and to help the application process go smoothly. Whenever possible, provide these documents upfront; if not, collect them during the appraisal process. Your BDM will collect the following standard mortgage loan documents:
  - i. Client Identification
  - ii. Property Tax Statement (current year) or proof of tax payment
  - iii. Home Insurance Policy (current year)
  - iv. Void Blank Cheque (matching the account where funds will be deposited)
  - v. Condo Certificate (if applicable)
  - vi. Additional docs may be required depending on the specific details of the file
- 3 Your HomeEquity Bank BDM will confirm with your client how much they have qualified for with their CHIP Reverse Mortgage.
- 4 Once the total approved CHIP Reverse Mortgage amount is confirmed, the HomeEquity Bank mortgage specialist will discuss with your client what amount they would like to initially draw. Your client will choose the interest rate option they prefer (6 months, 1 year, 3 years, 5 years, or variable). Clients will receive a disclosure package shortly afterward to confirm the accuracy and allow for adjustments.
- 5 Your client should select a lawyer to obtain independent legal advice (ILA) to review the final contract.
- 6 The contract is reviewed and signed with the help of the client's ILA lawyer.
- 7 Once all documents are returned to HomeEquity Bank, the funds are deposited into the client's Canadian bank account.



I wasn't sure what to expect when I began the process with HomeEquity Bank, however, my BDM was very knowledgeable, patient as well as prompt with their replies. **They made the experience smooth and removed the stress factor."**

- M. Palmer

# CHIP REVERSE MORTGAGE CALCULATOR

## Estimate how much equity your client can access.

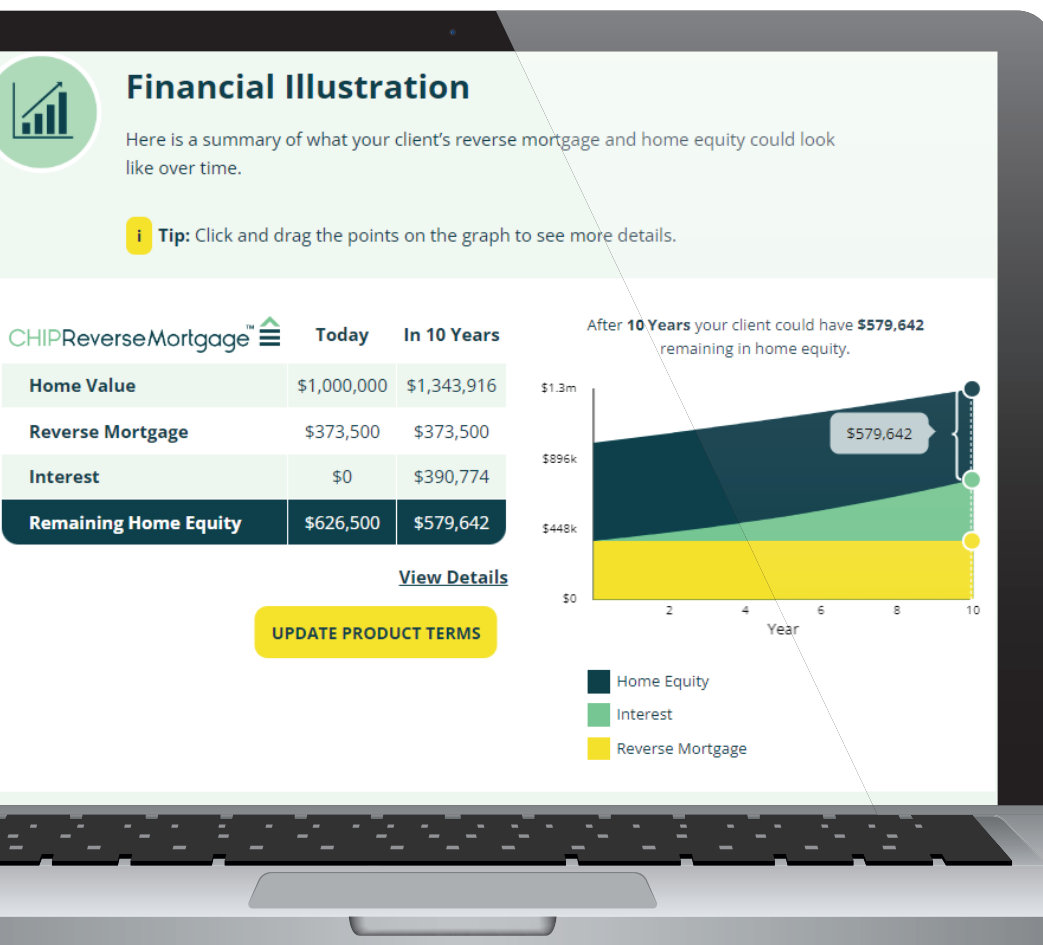
Use our interactive CHIP Reverse Mortgage calculator at [chipadvisor.ca/financial-illustration-calculator/](https://chipadvisor.ca/financial-illustration-calculator/) to create a customized solution that aligns with your client's retirement goals. Whether they're looking for a lump sum, scheduled advances, or both, the calculator allows you to tailor the illustration based on their unique situation.

With HomeEquity Bank, your clients have flexible options to make the most of their home equity, helping them enjoy a more comfortable and secure retirement.



### What You Can Do with the Calculator:

- Estimate the CHIP Reverse Mortgage loan amount based on client details
- Generate a personalized financial illustration showing how your client's reverse mortgage and equity could evolve over time by inputting key factors like:
  - Estimated mortgage amount
  - Current home value
  - Interest rate and rate type (Variable, 6-month, 1-year, 3-year, 5-year)
  - Years to display
  - Projected annual home appreciation



Start planning with confidence—run a personalized scenario today and help your clients see the long-term potential of their home equity.

[chipadvisor.ca/financial-illustration-calculator/](https://chipadvisor.ca/financial-illustration-calculator/)



## FREQUENTLY ASKED QUESTIONS

### ? Will the Bank own the home?

The homeowner always maintains title ownership and control of their home. HomeEquity Bank simply has a first mortgage charge on the title, like any conventional Canadian mortgage.

### ? Can the Bank force the homeowner to sell or foreclose at any time?

A reverse mortgage is a lifetime product and as long as the client abides by their mortgage obligations/promises, the loan won't be called even if the house decreases in value.

### ? With a reverse mortgage, will the homeowner owe more than their house is worth?

Clients can qualify for up to 55%<sup>1</sup> of their home's appraised value, and with HomeEquity Bank, every reverse mortgage comes with a No Negative Equity Guarantee<sup>2</sup>, which means that the amount a client is required to pay on the due date (excluding some items) will not be more than the fair market value of their home.

### ? Is a home equity line of credit (HELOC) a better option?

Clients should always explore all their options before making a decision. HELOCs are a good short-term borrowing option for people with a high declared income and wish to pay ongoing monthly interest on their loan balance or pay their HELOC back soon. A reverse mortgage is a long-term financial solution<sup>3</sup> that doesn't require any monthly payments and provides the ability to prolong and retain retirement savings.

### ? Is a reverse mortgage a last-resort solution?

Not at all. A reverse mortgage unlocks tax-free equity tied up in the home, giving borrowers the freedom to enjoy retirement on their own terms.

### ? How do HomeEquity Bank's costs compare to other lending options?

HomeEquity Bank rates are competitive and could be more favourable than alternative lenders' rates on conventional bank HELOCs, second mortgages or unsecured loans. Plus, with a CHIP Reverse Mortgage, clients don't have to worry about making any repayments, as the debt isn't owed until the due date. Due date conditions are outlined in your client's mortgage agreement.

The due date including and being the following:

- a) the date the borrower completes the sale, assignment or transfer of their property to any other person;
- b) the 1-year anniversary of the date the last of the borrowers moved into a long-term care facility or retirement residence;
- c) the date on which an event of default occurs under the borrower's Loan Agreement or the mortgage against their property (other than an event of default arising from the sale, assignment or transfer of their property or their promise not to move into a long-term care facility or retirement residence); or
- d) the date that is 180 days after the last of the borrowers dies.

### ? Can the homeowner still get a reverse mortgage if they have an existing mortgage?

A reverse mortgage can be used to consolidate existing debt, eliminate monthly debt payments, and provide financial security. If a client has an existing mortgage, it must be paid off first with the CHIP Reverse Mortgage proceeds, and the remainder of the proceeds can be accessed by the client as cash.

<sup>1</sup> Some conditions apply. Refer to our reverse mortgage calculator at [chipadvisor.ca/financial-illustration-calculator/](http://chipadvisor.ca/financial-illustration-calculator/) to determine how much your client qualifies for.

<sup>2</sup> As long as clients maintain their property, pay their property taxes and property insurance, and their property is not in default. The guarantee excludes administrative expenses and interest accumulated after the due date.

<sup>3</sup> Excluding CHIP Open.

## CARING FOR YOUR CLIENTS, IN PARTNERSHIP



4.8 out of 5

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“This review is very easy to write. **I was amazed at how smooth and organized the process was, and felt totally confident that I was doing the right thing.** It is going to be life changing for me to have my equity available as I need it, and to have peace of mind and a better quality of life. My mortgage specialist, was wonderful - knowledgeable and thorough, providing all the information I needed with a very caring attitude throughout. My Business Development Manager was also very helpful and knowledgeable at my signing appointment and made me comfortable. I would have no hesitation recommending HomeEquity Bank as they create an atmosphere of trust and that is important, as well as being so professional and efficient.”

- Barbara

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“The process was made extremely straight forward with the guidance and assistance of my Business Development Manager and Mortgage Specialist. They never pressured me, but reviewed my options and answered all my questions. They willingly accommodated my erratic schedule. **I can't say enough about how easy they made the process for me.**”

- Pauline Robert

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“Definitely an experience I would recommend to others looking for a similar product. Although nervous about the process, my mortgage specialist was very patient while I weighed in on all the pros and cons. I felt listened to and understood. **Professional and courteous with an excellent command of the products and process, I never once felt pressured and always felt extremely well looked after.** Thank you, it was a pleasure.”

- Susan McLoughlin

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“We needed to help our daughter buy her dream house and thanks to the CHIP Reverse Mortgage, we were able to, without much hassle or difficulty. The Specialist did everything for us, the house inspection, a list of potential lawyers in our area who have experience with CHIP, some documents to fill out, and 4 weeks later money in our account to hand over to our daughter for her closing date on her new house! This was something we never thought could happen, but it did, and **we are very happy parents and very satisfied customers.**”

- C. Kawasaki



For more information, please contact me.

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