

Lending Comparison Table*



REVERSE MORTGAGE



HOME EQUITY LINE OF CREDIT



PRIVATE LOAN



CREDIT CARD

Type of Lending Product	<ul style="list-style-type: none"> A purpose-built 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
Target Customer	<ul style="list-style-type: none"> 55+ Canadian homeowners that want to unlock the cash from real estate assets but don't want to sell their property and may not have regular income 	<ul style="list-style-type: none"> A homeowner with income that has a need to borrow a large sum against their property 	<ul style="list-style-type: none"> Any individual with income that has a need to borrow a smaller sum of funds for a one-off expense. 	<ul style="list-style-type: none"> Any individual with income that has a need for accessible credit to supplement everyday expenses.
What are the repayment terms?	<ul style="list-style-type: none"> Regular payments are not required until clients no longer live in the home full time¹ Client has the option to make partial and interest repayments 	<ul style="list-style-type: none"> Monthly interest payments required 	<ul style="list-style-type: none"> Fixed minimum payments required monthly to both the principal and interest 	<ul style="list-style-type: none"> Minimum payments required monthly

SOME OF THE MOST COMMON USES OF THE FUNDS

Debt consolidation	✓	✓	✓	✓
Buying a new home or second property	✓	✓	—	—
Monthly cashflow for bills and expenses	✓	✓	—	✓
Gifting to children or grandchildren	✓	—	—	—
Emergencies and unexpected expenses	✓	✓	✓	✓

Average Interest rate/APR	5% ² /6% ²	4-5% ² /5% ²	5.6% - 20% ² /10-28% ²	21% ² -25% ²
What are the upfront costs?	\$1,795 - \$2,495 ²	\$1,050 - \$2,450 ²	Origination fees 1.00% - 6.00% of the loan ²	Average annual fee \$0 - \$200 ²

*This comparison table was created as a guide and highlights the average or most common attributes across a variety of providers in Canada.

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What are the renewal terms?	<ul style="list-style-type: none"> No renewal fees as the loan isn't due until the borrower no longer lives in the home full time¹ 	<ul style="list-style-type: none"> The line is open for as long as borrower needs, provided conditions are met 	<ul style="list-style-type: none"> Renewal not guaranteed Funds need to be repaid at maturity 	<ul style="list-style-type: none"> Renewal not guaranteed
How much can be borrowed?	<ul style="list-style-type: none"> Up to 55% of the value of the property, Minimum advance \$20k - \$25k 	<ul style="list-style-type: none"> Mortgage + HELOC can't exceed 80% of property value, and stand-alone HELOC can't be more than 65% of property value 	<ul style="list-style-type: none"> Subject to borrower credit score/qualification criteria/ approval criteria 	<ul style="list-style-type: none"> Subject to borrower credit score/qualification criteria/ approval criteria
How does someone qualify?	<ul style="list-style-type: none"> Over 55 years Canadian homeowner with a property value over \$200k Credit Score or Proof of Income may be required 	<ul style="list-style-type: none"> Over 18 years Must meet credit score requirements Meet income requirements Canadian homeowner with more than 20% equity in the property 	<ul style="list-style-type: none"> Over 18 years Must meet credit score requirements Meet income requirements 	<ul style="list-style-type: none"> Over 18 years Must meet credit score requirements Meet income requirements
What are the options to receive the funds?	<ul style="list-style-type: none"> Lump sum Regular installments Combination of lump sum and regular installments 	<ul style="list-style-type: none"> Lump sum Lump sum and subsequent advances 	<ul style="list-style-type: none"> Lump sum 	<ul style="list-style-type: none"> Withdrawal on demand
Which product features provide protection to clients?	<ul style="list-style-type: none"> No negative equity guarantee as standard³ 	<ul style="list-style-type: none"> Protection optional (\$) 	<ul style="list-style-type: none"> Protection optional (\$) 	<ul style="list-style-type: none"> Protection optional (\$)
Can the lender ask you to pay the full amount at any time?	<ul style="list-style-type: none"> No risk of the loan being recalled provided the requirements are met Borrowers maintain complete ownership of the property - No risk of losing the home provided the requirements are met.⁴ 	<ul style="list-style-type: none"> May be called or not renewed depending on LTV, change in income, credit score or late repayments. Risk of losing the home if repayments aren't kept up. 	<ul style="list-style-type: none"> May be called or not renewed depending on change in income, credit score or late repayments. Risk of repossession if repayments aren't kept up 	<ul style="list-style-type: none"> Credit may be called or reduced depending on change in income, credit score or late repayments.
Are there any tax benefits?	<ul style="list-style-type: none"> Funds are tax free Able to deduct the interest payments from tax returns if funds are used for investment purposes 	<ul style="list-style-type: none"> Able to deduct the interest payments from tax returns if funds are used for investment purposes 	<ul style="list-style-type: none"> No tax benefits 	<ul style="list-style-type: none"> No tax benefits

¹Clients are required to live in the property for a minimum of 6 months of the year

²Rates and fees are for illustrative purposes only. Rates and fees expressed in this comparison are not guaranteed

³As 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.

⁴The borrower keeps up to date with property taxes, maintains adequate home insurance, the home continues to be the primary residence and borrower abides by all obligations outlined in the mortgage agreement.