

# Property Set Aside (PSA) FAQs

## 1 What is a Property Set Aside (PSA)?

It is a portion of the funds that would have been available for client(s) at funding that will instead be held back and released to client(s) twice per year until the PSA is depleted. The amount is set aside to help ensure that client(s) can meet their property promises, including, but not limited to, property taxes, fire insurance, condominium fees.

## 2 Which potential clients could have a PSA?

Clients with poor credit, low income and/or property tax arrears may have a PSA. Although all applicants will be assessed, only a small percentage of clients will be required to have a PSA.

## 3 How will I be informed if one of my clients requires a PSA?

A preliminary credit assessment will be communicated to you in the Estimate Letter addressed to your broker, or via your sales contact, prior to you ordering the appraisal. The credit assessment is subject to verification and will be finalized upon receipt of all supporting documents and the appraisal, and will be communicated to you in the final HomeEquity Bank Disclosure Statement.

## 4 Who should I contact if I have questions about PSAs?

For general questions about PSAs, please reach out to your Sales contact. If you do not know who your Sales contact is, please call 1.866.536.2447. If you have questions about specific files and whether/why they require a PSA, contact the Mortgage Broker Centre at 1.866.831.7235 or mbc@heb.ca.

## 5 What else do I need to know about PSAs?

If a PSA is required:

- The closing fee will be increased by \$500.

## 6 How is the PSA determined?

The PSA is a formula based on both the client's credit worthiness and capacity to meet their financial promises, including property taxes, home insurance and condominium fees (if those apply).

## 7 How will I inform my client(s) of their PSA?

The PSA amount and schedule of releases will be listed in the "Conditions" section of the HomeEquity Bank Disclosure Statement (Commitment).

## 8 Why does HomeEquity Bank require a PSA on certain clients?

The PSA is being implemented to protect our clients. HomeEquity Bank wants to ensure that our clients have the means to meet their property promises.

## 9 How will client(s) receive their PSA?

The client(s) will receive their PSA twice per year by EFT (void cheque in the name of all borrowers will be required).

**For more information,  
please contact me.**