

FAQ

A reverse mortgage from HomeEquity Bank is a smart way for Canadians 55+ to access the equity they've accumulated in their home as tax-free cash. Despite the fact that reverse mortgages have been in Canada since 1986, there is still a lot of misunderstanding.

What is the CHIP Reverse Mortgage?

This unique financial product allows you to access the equity in your home and convert it into tax-free cash. You have the choice to receive your money as a lump-sum upfront, or as a lump-sum with advances over time.

1 Will the homeowner owe more than the house is worth?

The homeowner keeps all the equity remaining in the home. In our many years of experience, over 99% of homeowners have money left over when their loan is repaid.

The equity remaining depends on the amount borrowed, the value of the home, and the amount of time that's passed since the reverse mortgage was taken out.

2 Will the bank own the home?

No. The homeowner retains title and maintains ownership of the home. It's required for the homeowner to live in the home, pay taxes on time, have home insurance, and maintain the property in good condition.

3 What if the homeowner has an existing mortgage?

For clients that have an existing mortgage, the first step we will take is to pay off your conventional mortgage along with any other secured debt.

4 Should reverse mortgages only be considered as a loan of last resort?

No. Many financial professionals recommend a reverse mortgage to supplement monthly income instead of selling and downsizing, or taking out a conventional mortgage or a line of credit.

5 What fees are associated with a reverse mortgage?

There are one time fees to arrange a reverse mortgage such as an appraisal fee, fee for independent legal advice as well as our fee for administration, title insurance, and registration. With the exception of the appraisal fee, these fees are paid for with the funding dollars.

6 What if the homeowner can't afford payments?

There are no monthly payments required as long as the homeowner is living in the home.

Contact

If you would like to learn more about the CHIP Reverse Mortgage and how it can be an active tool in your financial plan, please contact me at:

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THERE'S NO RETIREMENT LIKE HOME

All too often life is about compromises – well, not in this case

With the CHIP Reverse Mortgage, you'll be able to live in the home you love and enjoy a comfortable lifestyle. We understand that Canadians over the age of 55 have unique financial needs that are only growing in complexity. Compared to traditional methods, CHIP allows you the ability to access the equity in your home to use however you wish, making it a viable option in many financial plans.

Ways you can use the CHIP Reverse Mortgage

- Relieve financial pressure
- Increase cash flow
- Buy a vacation property
- Home renovations / Improvements
- Early inheritance
- Assist a family member or friend
- Healthcare expenses
- Alleviate debt
- Preserve investments
- Travel

HomeEquity Bank 



Benefits of the CHIP Reverse Mortgage

You always own your home

We're not in the homeownership business. Instead, we are here to provide you with a unique financial product designed to provide you with the cash you need, when you need it.¹

No regular monthly payments

You are not required to make regular mortgage payments for as long as your home is your primary residence.¹

Tax-free

All funds acquired through CHIP are tax-free, and do not affect your OAS or CPP.²

A customizable solution

Access up to 55%³ of the value of your home and receive the funds in the amount you desire in one lump-sum. You can also get monthly/quarterly installments, or a combination of a lump-sum and installments.

Protect your investments

Your investment portfolio can remain untouched for a longer period of time.

Take control

Get your finances under control and gain the freedom to set your own plans and priorities.

How it works

1

Decide if it's right for you

Review your financial situation and plans with your advisor or mortgage broker to determine if the CHIP Reverse Mortgage is a fit for you.

2

Craft your own flexible plan

Access up to 55%³ of your home's appraised value, tax-free, as a lump-sum payment, plus the option of advances over time.

3

Peace of mind

You will maintain complete ownership of your home.

Who can qualify?

- Canadian homeowners
- Age 55 or older
- Home must remain your primary residence

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¹ You are required to pay your property taxes, have valid and adequate home insurance and keep your property well maintained.

² Always consult a trusted tax expert, your accountant and/or financial advisor. ³ Some conditions apply.