Accessing home equity to gift to family

Client Profile

Homeowners:
Male, Age 74 | Widower

Location:
Richmond Hill, Ontario

Home value:
$1,400,000

Home type:
Single, detached

Registered investments:
$700,000

Down payment needed:
$200,000

Equalization payment needed:
$200,000

Situation

Meet David

- David, 74, is a widower who is financially secure and considering how to provide meaningful financial support to his two adult children during his lifetime.
- His daughter is preparing to purchase her first home and has found a modest $600,000 condominium, but needs help with the initial $200,000 down payment.
- To ensure fairness, David would also like to provide a $200,000 equalization payment to his son, who shares equally in his estate.
- While David could liquidate investments to fund the gifts, doing so could trigger tax implications and reduce the strategic flexibility that comes from maintaining access to other assets.

Traditional Options

Withdraw from investments

- May trigger tax consequences
- Reduces retirement assets

Use conventional credit financing

- Qualification is not guaranteed
- Regular payments required

Sell existing home and downsize

- Major lifestyle change
- Market dependent
- May reduce long-term financial flexibility and introduce uncertainty into future retirement plans

HomeEquity Bank Enabled Plan

Using HomeEquity Bank Custom Solutions

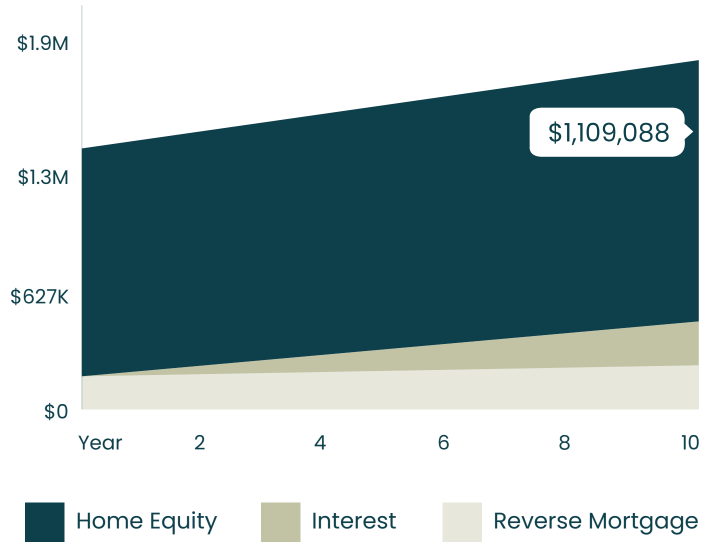
- ✓ Approved up to **$748,500**
- ✓ Planned initial access of **$400,000**
  - **$200,000** to support his daughter's home purchase
  - **$200,000** equalization payment to his son
- ✓ **$348,500** remains available for future use without requalification

His home equity over 10 years

David's equity could increase by ~$100K over 10 years.

	Today	In 10 Years
Home Value	$1,400,000	$1,881,483
Reverse Mortgage	$400,000	$400,000
Interest	$0	$372,395
Remaining Home Equity	**$1,000,000**	**$1,109,088**

Assuming 3% home appreciation. Actual home equity may vary; this is not a projection or guarantee.



For illustration purposes only.

Outcome

- ✓ Tax-free access to home equity
- ✓ Helped his daughter achieve homeownership while supporting both children fairly
- ✓ Preserved existing retirement assets and maintained financial independence
- ✓ No required monthly mortgage payments
- ✓ Significant home equity retained over the long term

To integrate reverse mortgage solutions into your business, speak with your **HomeEquity Bank BDM**. For more information, visit **HEBAdvisor.ca**.