Accessing home equity to invest for growth and income

Client Profile

Homeowners:
Female, Age 66 | Male, Age 69

Location:
Scarborough, Ontario

Home value:
$1,100,000

Home type:
Single, detached

Registered investments:
$380,000

Capital needed to invest:
$200,000

Situation

Meet Mary and Bob

- Mary and Bob have built a retirement portfolio and accumulated significant home equity over the years through home appreciation.
- While they have significant registered retirement savings, they have limited non-registered investments.
- Their financial professional has recommended investing in a well-diversified non-registered equity and dividend portfolio to provide more balanced long-term growth and potentially enhance long-term estate value.
- However, finding the funds to implement the strategy is a challenge. They do not want to access their retirement savings due to the potential tax implications and impact on their long-term retirement plan.

Traditional Options

Use cash / savings / GICs

- Depletes savings
- Reduces cashflow and liquidity

Withdraw from retirement portfolios

- Incurs a tax hit
- Reduces assets available to support future retirement income

A traditional loan or conventional line of credit

- May not qualify due to lack of regular income
- Monthly payments could reduce available cashflow

Downsize to a smaller condo

- Their home is a gathering place for family and friends
- Leisure activities are all close by

HomeEquity Bank Enabled Plan

Using HomeEquity Bank Custom Solutions

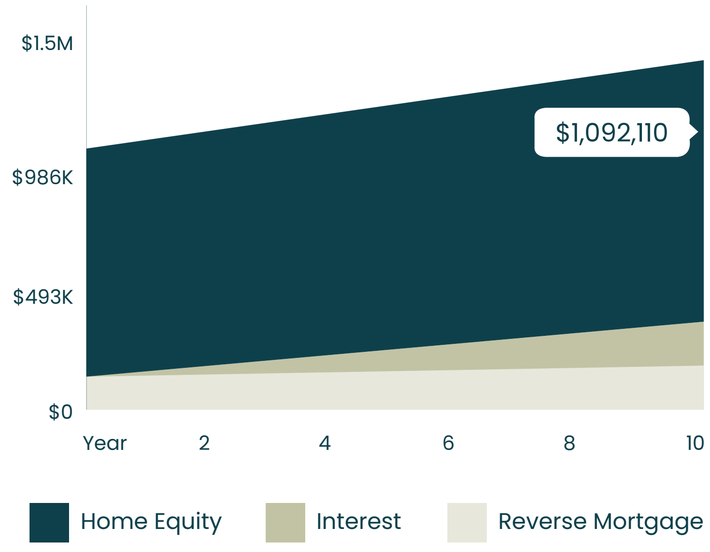
- ✓ Approved up to **$482,500**
- ✓ Planned initial access of **$200,000** to establish a non-registered investment portfolio
- ✓ **$282,500** remains available for future use without requalification, providing greater strategic flexibility as needs evolve

Their home equity over 10 years

Mary and Bob's equity could increase by ~$200K over 10 years.

	Today	In 10 Years
Home Value	$1,100,000	$1,478,309
Reverse Mortgage	$200,000	$200,000
Interest	$0	$186,199
Remaining Home Equity	**$900,000**	**$1,092,110**

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



For illustration purposes only.

Outcome

- ✓ Converted dormant home equity into building a non-registered investment portfolio
- ✓ Preserved existing retirement assets and avoided taxable withdrawals
- ✓ Unlocked illiquid home equity without selling their home
- ✓ Diversified assets beyond real estate
- ✓ Accessed capital with no required monthly mortgage payments
- ✓ Significant home equity retained over the long term
- ✓ Potentially increased long-term net estate value

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