HomeEquity Bank™

Your Guide to the CHIP Reverse Mortgage

There's no retirement like home



Pattie Lovett-Reid
HomeEquity Bank, Chief Financial Commentator

A Message From HomeEquity Bank Leadership

For decades, retirement planning has focused on accumulating assets. Today, retirement planning is not only about building wealth, it's about accessing it efficiently. For many Canadians, home equity represents an important source of financial flexibility in retirement.

At HomeEquity Bank, our mission is to empower Canadians 55 and better to live the retirement they deserve, in the home they love, with the freedom and financial flexibility they've earned.

As Canada's original and leading provider of reverse mortgages and the only federally regulated bank dedicated exclusively to Canadians aged 55 and older, we have spent more than 40 years helping clients unlock the value of their homes. Our flagship product, the CHIP Reverse Mortgage, enables homeowners to access tax-free cash from their home as part of a comprehensive retirement and wealth-planning strategy.

This guide explores how home equity can complement traditional retirement planning. You'll find solutions designed to help strengthen retirement income, support family members, preserve investment portfolios, and achieve broader financial and legacy goals.

We encourage you to review this guide and connect with your financial professional to discuss how HomeEquity Bank can support you.



Congratulations

As a Canadian homeowner, you've made a sound investment in your future. Over time, you've built something valuable that can help support the lifestyle and goals that matter most to you.

Your home is more than a place to live, It's a reflection of the life you've built and the memories you've created along the way. It may also provide opportunities to help you navigate retirement on your own terms.

Whether you're looking to enhance your cashflow, manage unexpected expenses, support loved ones, or pursue new experiences, there may be more options available to you than you realize.

HomeEquity Bank is committed to finding customized solutions that meet your needs.

Together, let's make your retirement dreams a reality!



What is the CHIP Reverse Mortgage?

The **CHIP Reverse Mortgage** from HomeEquity Bank (HEB) is a financial solution specifically designed for Canadian homeowners 55+ to access a portion of their home's equity, in tax-free cash, without affecting their lifestyle. It's a loan against your property but with no monthly mortgage payments required.*

What interest rates are available

We offer both fixed and variable rate terms. Contact your financial professional to learn more about our latest interest rates and fees. Our fixed rates are set for a predetermined period and are available for 6-month, 1-year, 3-year, or 5-year terms. Just like a conventional mortgage, there are administrative fees and closing costs, and our representatives will walk you through the entire process.

Eligibility

Canadian homeowners must be at least 55 years old, live in the home as their primary residence, and have sufficient home equity.* Property taxes and home insurance will need to be paid, and the property will need to be well-maintained.

*Some conditions apply.

Benefits

- Maintain title and ownership and enjoy your home in retirement
- Proceeds from your HEB reverse mortgage are not considered income and won't directly affect your Old Age Security (OAS) or Canada Pension Plan (CPP) benefits
- Explore how you want to use your funds and how to access them either as a lump sum or in regular installments

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After decades in front of the camera helping Canadians make sense of their money, I've done a lot of research. HomeEquity Bank's Custom Solutions is a great way to access the equity in your home, whether you're thinking about estate planning, gifting or preserving your investments. It's flexible and designed to fit your financial plan. **Canadians and financial advisors have trusted HomeEquity Bank for over 40 years,** and I'm proud to represent them.

Pattie Lovett-Reid
HomeEquity Bank, Chief Financial Commentator





What Could Financial Freedom Afford You?

HomeEquity Bank's reverse mortgage solutions are designed to help you enjoy greater flexibility and financial freedom while staying in the home you love.

Let us help you unlock the equity in your home to support your financial goals, with no tax implications.

What do you want to use your home equity for?

- Pay Off Debt
- Fund Home Repairs or Renovations
- Cover Unexpected Costs
- Manage Monthly Expenses
- Travel, Hobbies or Pursuing Personal Goals
- In-Home Care & Services
- Purchase a Vehicle
- Support Your Family's Future
- Access Capital for Investments
- Purchase a Vacation Property
- Access to Bridge Financing

Best used for	HEB financial solution
• Consolidating high-interest debt • Paying off a credit card • Covering outstanding loans • Reducing financial stress	**CHIP REVERSE MORTGAGE** Immediate Stability
• Renovating or upgrading your home to improve comfort, accessibility and value	
• Easing the shock of unexpected expenses	
• Covering the rising cost of groceries, utilities, insurance and everyday living • Maintaining your lifestyle without worry or compromise	**INCOME SOLUTION** Improve Retirement
• Travelling the world • Pursuing new hobbies • Achieving personal goals	
• Accessing in-home support, like medical housekeeping or personal care	
• Repairing an existing vehicle or purchasing a new one	
• Helping family with key milestones like buying a home or paying tuition fees • Providing broader financial support or early inheritance	**CUSTOM SOLUTIONS** Strategic Flexibility
• Funding your portfolio, business venture or other opportunities • Making investments without selling assets or triggering capital gains	
• Investing in a cottage, condo or seasonal vacation property	
• Covering timing gaps with bridge financing (e.g. buying before selling)	

How Do You Repay Your Reverse Mortgage?

This is a commonly asked question, so here's what you need to know:



- Should you decide to move or sell, **you would have to pay back the loan, including interest**. On average, our customers have over 50% of the equity remaining in their home at the time of sale
- **No principal or interest payments** are required until you choose to move or sell, or when the last surviving homeowner passes away
- If/when all borrowers pass away, **the estate of the homeowner would be responsible for paying the reverse mortgage loan**, including interest either from the proceeds of the sale of the home or by other sources of funds available to the estate

You always maintain title and ownership of your home.** Only when the last surviving homeowner passes away would your estate take over ownership of the home.



Why Choose HomeEquity Bank

- Canada's original and leading provider of reverse mortgages for **over 40 years**
- Schedule 1 **Federally Regulated Canadian Bank**
- **Specializes in financial solutions** for Canadians 55+
- **4.7 rating on Trustpilot** based on unbiased online customer reviews
- **A+ rating** with the Better Business Bureau
- Member of the **Equity Release Council**
- Endorsed by

How We Protect Our Clients

- Conservative Lending Standards – up to 55%* of the value of your home
- No Negative Equity Guarantee** – Never owe more than the fair market value of your home as long as the conditions are met. 98% of clients have equity remaining in the home after the loan is repaid
- Independent Legal Advisor required for all clients

* Some conditions apply.

**Must abide by mortgage obligations, maintain property, pay taxes and homeowners' insurance. As long as the clients meet 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.



What Customers Are Saying About HEB

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From the start, I received kindness and complete information. All my queries were answered clearly and the process was easy to understand. My application was handled very speedily, and the funds were made available just as quickly. I cannot emphasize enough how much I was put at ease and treated with great respect and consideration.
I recommend HomeEquity Bank without any hesitation. Thank you.

– Francine

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We would definitely recommend CHIP to anyone thinking about doing this. There are pros and cons to it, but there is with most things. This has helped us out, financially, as we are both retired and our pensions just cover our bills. We are going to re-do our kitchen. Thank you for helping us out. We're glad there is something like this out there for seniors. And again, thank you to for all [your] help.

– Lynn

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Wow, what an utterly painless experience. We began working with CHIP on our reverse mortgage two weeks ago and the funds were in our bank last night. We found everyone we dealt with to be professional and courteous no matter the question. Everything was explained thoroughly. We would not hesitate to refer CHIP to our family and friends, and actually even strangers we meet.

– Peter

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As a physician and geriatrician, I've learned that a home is more than just a place. It's a foundation for our independence, dignity, and security as we age. When people have the financial flexibility to pursue their goals, they can focus on living well and enjoying their later years on their own terms.
That's why I am **proud to partner with HomeEquity Bank**.

Dr. Samir Sinha
HomeEquity Bank
Chief Medical Commentator





Endorsed by Advocacy Groups Serving Canadians 55+

CARP, the Canadian Association of Retired Persons, is Canada's largest Advocacy Association for aging Canadians.

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At CARP, we advocate for older Canadians and the right to age with independence and dignity. That is why we partner with HomeEquity Bank, whose CHIP Reverse Mortgage helps Canadians access their home equity while continuing to live in the home and community they know.

– **Canadian Association of Retired Persons**

The Royal Canadian Legion has been supporting both Veterans and their families in need since 1925.

Supporting Veterans and their families is at the heart of what we do at The Royal Canadian Legion. HomeEquity Bank's CHIP Reverse Mortgage provides options to help Canadians maintain independence, age in place and access financial flexibility while staying in the homes and communities they value most. So they can approach retirement with confidence.

- **The Royal Canadian Legion**

MedicAlert Foundation of Canada is an iconic Canadian charity that has been keeping Canadians safe for more than three generations.

At MedicAlert, we believe true security comes from both financial stability and the confidence of knowing your health is supported. That's why we're proud to partner with HomeEquity Bank, helping Canadians feel more secure, supported, and prepared for whatever comes next.

- **MedicAlert Foundation of Canada**



How Does HomeEquity Bank Compare To Other Lending Options?

Be confident with your buying decisions with HomeEquity Bank's reverse mortgage solutions. Here is a comparison between the **CHIP Reverse Mortgage** and three alternatives.

	CHIP Reverse Mortgage *No regular payments required*
What It Is	• Access tax-free cash from your home value
Best For	• Homeowners 55+ • Want access to cash without selling their home
Repayment	• No monthly interest or principal payments required
Access to Funds	• Up to 55%* of the value of your home • Available as a lump sum and/or regular deposits • No renewal required*
Security / Risk	• No Negative Equity Guarantee** • Never owe more than the home's value. • Maintain title and ownership*

Home Equity Line of Credit *Payments required*	Private Loan *Fixed monthly payments*	Credit Card *High-interest revolving credit*
• A revolving credit line secured against your home	• A high interest lump sum unsecured loan	• An unsecured line of credit for everyday spending
• Homeowners with income • Short-term or on-going borrowing needs	• Individuals with income • Short-term borrowing needs	• Individuals needing flexible access to credit • Short-term or ongoing expenses
• Monthly interest payments required	• Fixed minimum monthly payments (principal + interest)	• Monthly minimum interest payments required
• Up to 65% of the home value • Must remain in good standing • Withdraw as needed	• Full amount received upfront • Subject to qualification criteria • Renewal not guaranteed	• Cash advances at a higher interest rate • Credit limit based on qualification • Renewal not guaranteed
• Loan may be called or not renewed based on income, credit and home value • Maintain ownership of your home	• Loan may be called based on income, credit score, or late payments	• Credit may be cancelled or reduced • Based on credit and payment history

* Some conditions apply.

**Must abide by mortgage obligations, maintain property, pay taxes and homeowners' insurance. As long as the clients meet 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.

A Simple and Easy Application Process

At HomeEquity Bank, we take pride in setting a standard of excellence when serving Canadians 55+.

1

Speak with a Professional

Start the conversation with a financial professional about your specific needs.

2

Talk to Your Family

We encourage you to discuss your interest in an HEB reverse mortgage solution with your family. We are happy to speak with them directly, too.

3

Get Your Home Appraised

Once you decide to proceed, HomeEquity Bank will help arrange for an appraisal of your home.

4 Fill out an Application

Once the home is appraised, complete a simple form and provide the required documents.

5 Seek Independent Legal Advice (ILA)

Before everything is finalized, we require you to review the information with an independent lawyer of your choice, so you clearly understand the mortgage agreement.

6 Receive Your Funds & Gain Financial Freedom

Once all documents are finalized, you will receive your funds in tax-free cash! Making your home one of your largest and smartest investments, a meaningful part of your financial plan.



Frequently Asked Questions



Don’t see an answer you’re looking for?

Speak with your financial professional

Q: Will I still own my home?

Yes, you will maintain complete ownership and title of your home. We will never ask you to move or sell, but you must: pay your property taxes and home insurance, and keep your property well maintained.*

Q: Do I have to make any payments?

No payments are required on the principal loan or interest. However, you can make payments over time if you wish.

Q: What are the fees associated with securing a CHIP Reverse Mortgage?

In addition to the interest charged on the money borrowed, a reverse mortgage will typically involve paying the following nominal fees**:

- Appraisal Fee: Paid to an external property appraiser
- Independent Legal Advice: Paid to a lawyer/notary of your choice for independent legal advice
- Closing Cost: Fee collected by HomeEquity Bank, financed through the proceeds of the reverse mortgage

*Some conditions apply.
**Additional fees may apply depending on individual circumstances.

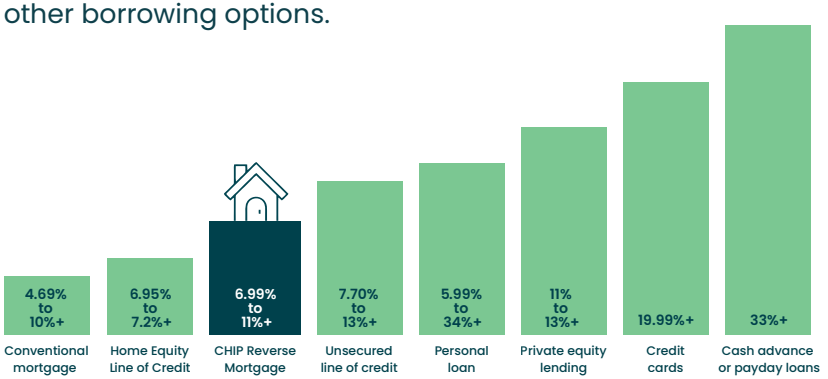
Q: Will my government benefits be affected?

No, a HomeEquity Bank reverse mortgage will not affect any government benefits you may receive, such as Old Age Security (OAS), Canada Pension Plan (CPP), or Guaranteed Income Supplement (GIS).

Q: Why are reverse mortgage rates higher than a conventional mortgage?

CHIP Reverse Mortgages don't require monthly payments, you repay the loan only when you move, sell, or pass away. This added flexibility means the bank takes on more long-term risk, which is reflected in the rate.

As shown in the chart, CHIP rates may be higher than a conventional mortgage but remain lower than many other borrowing options.



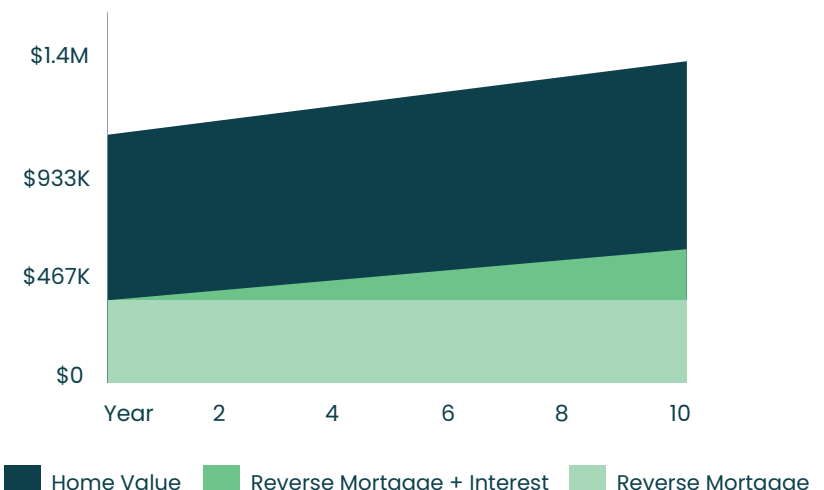
This graph is for illustration purposes only, rates may vary.

Q: What if I have an existing mortgage?

You will need to pay off your existing mortgage first with the funds you will receive from your HomeEquity Bank reverse mortgage. The remaining proceeds can be used however you may choose.*

Q: I am concerned that a reverse mortgage will erode my home equity over time?

On average, CHIP customers have over 50%* of the value of their home left to enjoy after repaying the loan. Check out our calculator online to see how your home equity may change over time.



This graph is for illustration purposes only.

What Customers Are Saying About HEB



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[HomeEquity Bank] was able to convert some of my home equity into tax-free cash, allowing me to pay off debt and enjoy my retirement without worrying about monthly high-interest credit card payments, and it has provided me with tremendous financial stability. Thank you for making this process smooth and putting a smile on my face again.

– Lindsay



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The CHIP Reverse Mortgage helped me do a lot of things. It gave me the freedom to pursue my dreams and travel on a fabulous 3-week vacation. The next decade is kind of exciting. It feels like I have choices, I have freedom and it's exciting to see where it takes me.

– Gemma

Trustpilot

"

For the past 10 years, I've been proud to partner with **HomeEquity Bank** and see the positive impact they have on Canadians. I've heard first-hand from clients how the **CHIP Reverse Mortgage** has helped them stay in the home they love and enjoy retirement with greater freedom and peace of mind. I'm honoured to continue supporting HomeEquity Bank to help more Canadians age at home with confidence.

Kurt Browning
HomeEquity Bank
Ambassador



Stay in the Home You Love, On Your Terms

At HomeEquity Bank we promise to always:

- Listen carefully
- Speak clearly and offer useful information
- Respect you and your privacy
- Never apply pressure

Talk to a financial professional to find out how much money you could qualify for.

HEB | HomeEquity Bank™

Endorsed by: CARP, Legion, MedicAlert Foundation Canada

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