

INCOME ADVANTAGE

What is Income Advantage?

Income Advantage is a loan secured against the value of the home allowing the homeowner to qualify for **up to 40%** of their home value and convert it into cash without having to make payments. Income Advantage is a financially sound option that also allows you to diversify your client's portfolio and provide continued assistance through their golden years.

Features of Income Advantage:

Increased Financial Flexibility

With Income Advantage the homeowner is able to maintain or increase their monthly income without depleting other savings, therefore allowing retirement savings and investments to last longer.

Options

Income Advantage money can be received as periodic advances, a lump-sum, or a combination of the two options.

Tax-Free Money

The money accessed with Income Advantage is tax-free.

No Payments

No payments are required (principal or interest) for as long as the homeowner lives in the home.

Maintain Ownership

With Income Advantage, the homeowner maintains title ownership of the home.

Why should you offer Income Advantage?

- 1 Preserve existing assets under administration by alleviating the need to sell investments too quickly.
- 2 Build your book and generate revenue by putting your clients' home equity to work.
- 3 Retain your senior clients longer and consolidate their assets.
- 4 Expand your client base in a growing market segment.

Who should you offer Income Advantage to?

Clients that are 55 or older who own their own home and are interested in extending the life of their retirement savings, pay for home care costs, pay less tax, or all three.

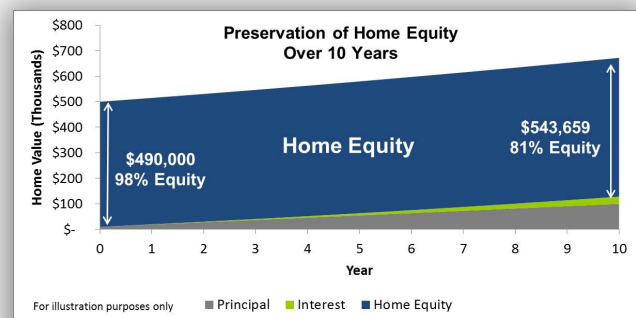
As the life expectancy age rises in Canada, it is important that your clients have a stress-free and financially stable retirement.

Repaying the loan

The loan is only required to be repaid when the homeowner no longer lives in the home.

With close to 30 years of offering reverse mortgages, 99% of clients have equity remaining when the loan is repaid.

Below is an example illustrating the preservation of equity over a 10 year period.



Calculations based on an initial advance rate of 4.75% and a planned advance rate of 4.25%. Home appreciation of 3% annually.

This chart is an illustration for a client who owns a \$500,000 home and took a lump-sum of \$10,000 and \$750 per month for 10 years with Income Advantage.

The chart shows how the client maintains a large portion of equity in the home.

This is due to HomEquity Bank's conservative lending practices combined with typical home appreciation.

If you have any questions about Income Advantage, feel free to contact me.